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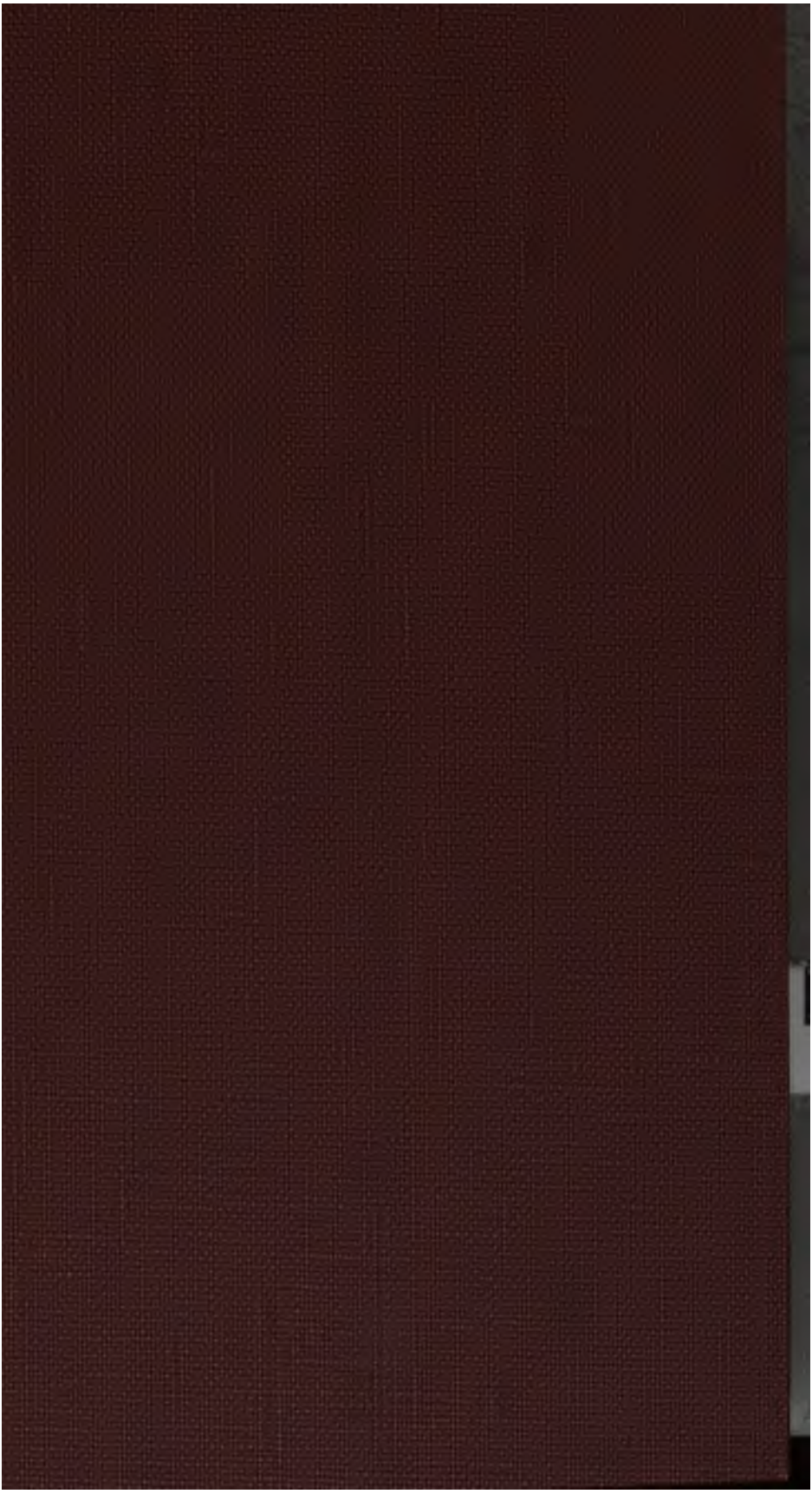

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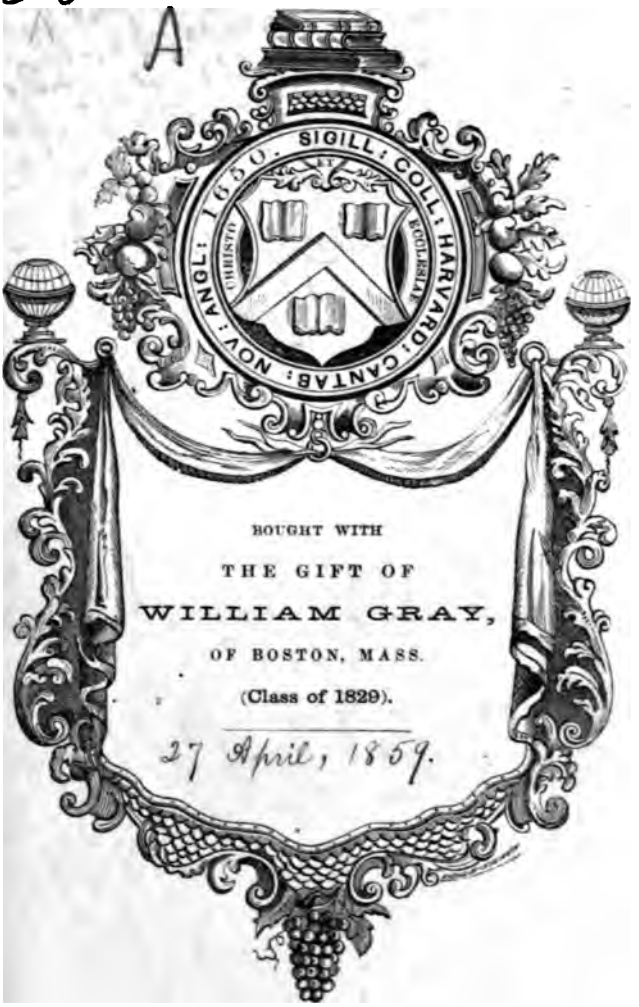

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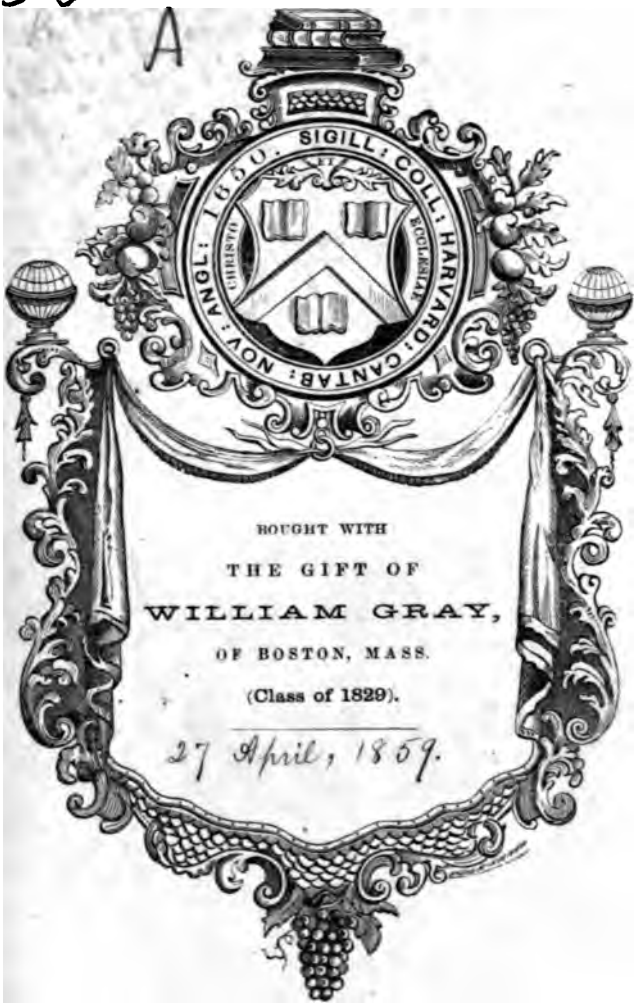

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THE WORKS

OF

JOHN C. CALHOUN.

VOL. III.

NEW-YORK:
D. APPLETON AND COMPANY.
M.DCCC.LIII.

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Gray fund.

SPEECHES

OF

JOHN C. CALHOUN,

DELIVERED IN THE

HOUSE OF REPRESENTATIVES.

AND IN THE

SENATE OF THE UNITED STATES.

EDITED BY

RICHARD K. CRALLÉ.

NEW-YORK:
D. APPLETON AND COMPANY,
200 BROADWAY.
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ENTERED, according to Act of Congress, by
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SPEECHES.

REMARKS

On the Letter of General Jackson, made in the Senate, while the Bill to limit the sales of the Public Lands was under discussion, July 9th, 1837.

MR. CALHOUN said:—I have received, within the last forty-eight hours, a communication from the Chief Magistrate, connected with the bill now before the Senate, of such a nature, that duty to myself, as well as to this body, renders it necessary that I should lay it before the Senate.

[Here Mr. C. sent to the Secretary the letter, which was read as follows:]

"WASHINGTON, February 7th, 1837.

"SIR:—In the Globe of the 6th inst. I find the report of a speech made by you on the 4th, upon the Land Bill, which contains the following passages, viz.:

"'Was it not notorious that the President of the United States *himself* had been connected with the purchase of the public lands? Yes, the "experiment" (Mr. Calhoun delighted in the word) was the cause of speculation in public lands; and if this bill should not be passed, speculations could not go on, and the price of the public lands must consequently be reduced. He contended that every man could not but see that it would be utter ruin to those who had borrowed money, to speculate in lands, if the system was not to go on.' In a former part of your speech, as reported, you say: 'The speculation which a particular state of things had

given rise to, had been produced by those in power. They had profited by that state of things; and should this bill be passed, it would only consummate their wishes.' &c., &c., &c.

"Knowing the liabilities of reporters to err in taking down and writing out the speeches of members of Congress, I have made inquiry in relation to the accuracy of this report, and have been furnished with certificates of gentlemen who heard you, affirming that it is substantially correct.

"You cannot but be aware, sir, that the imputations which your language conveys are calculated, if believed, to destroy my character as a man, and that the charge is one which, if true, ought to produce my impeachment and punishment as a public officer. If I caused the removal of the deposits for the base purpose of enriching myself or my friends by any of the results which might grow out of that measure, there is no term of reproach which I do not deserve, and no punishment known to the laws which ought not to be inflicted upon me. On the contrary, if the whole imputation, both as to motive and fact, be a fabrication and a calumny, the punishment which belongs to me, if guilty, is too mild for him who wilfully makes it.

"I am aware, sir, of the constitutional privilege under which this imputation is cast forth, and the immunity which it secures. That privilege it is in no degree my purpose to violate, however gross and wicked may have been the abuse of it. But I exercise only the common right of every citizen, when I inform you, that the imputations you have cast upon me are false in every particular, not having for the last ten years purchased any public land, or had any interest in such purchase. The whole charge, unless explained, must be considered the offspring of a morbid imagination, or of sleepless malice.

"I ask you, sir, as an act due to justice, honor, and truth, to retract this charge on the floor of the Senate, in as public a manner as it has been uttered—it being the most appropriate mode by which you can repair the injury which might otherwise flow from it.

"But in the event that you fail to do so, I then demand that you place your charge before the House of Representatives, that they may institute the necessary proceeding to ascertain the truth or falsehood of your imputation, with a view to such further measures as justice may require.

"If you will neither do justice yourself, nor place the matter in a position where justice may be done me by the representatives of the people, I shall be compelled to resort to the only remedy left me, and before I leave the city, give publicity to this letter, by which you will stand stigmatized as one who, protected by his constitutional privilege, is ready

to stab the reputation of others, without the magnanimity to do them justice, or the honor to place them in a situation to receive it from others.

"Yours, &c.,
"ANDREW JACKSON.

"The Hon. J. C. CALHOUN, United States Senate.

"P. S. I herewith inclose you the copies of two notes, verifying the correctness of the report of your speech in the Globe of the 6th inst.

"A. J.

"February 7th, 1837."

(No. 1.)

"WASHINGTON CITY, February 6, 1837.

"At the request of the President of the United States, I hereby certify that I was present in the gallery of the Senate of the United States on Saturday, the 4th instant, during a discussion upon the Land Bill, and heard some of the remarks of Mr. Calhoun upon that subject, in which the President was charged with being a speculator in public lands.

"On coming out of the Capitol the subject was mentioned to me by a friend of the President's. And my recollection of the words used accorded with what he understood had been said, and which is substantially the same as reported in the Globe of the 6th instant.

"(Signed) ARTHUR CAMPBELL."

(No. 2.)

"WASHINGTON, February 7, 1837.

"SIR: In answer to your inquiry of me whether Mr. Calhoun, in his remarks on the Land Bill, on Saturday last, used the words attributed to him by me in the report, which appeared in the Globe of yesterday, viz.: 'Was it not notorious that the President of the United States himself had been connected with the purchase of public lands?' I would state that I have referred to my short-hand notes, and find that such was the language he used according to the best of my knowledge and belief.

"Yours, very respectfully,

"(Signed) W. E. DRAKE."

"I certify, that No. 1 and No. 2 are true copies of the originals.

"Test: A. JACKSON, JR."

I do not intend, said Mr. C., in what I propose to say, to comment on the character or the language of this extraordinary letter. It has excited in my bosom but one feeling, that of pity for the weakness of its author, contempt for his

menace, and humiliation that one occupying the office which he does, should place himself in a situation so unworthy of his exalted station. Nor do I intend to invoke the interposition of the Senate to protect the privilege attached to a Senator from one of the sovereign States of this confederacy, which has been outraged in my person. I seek no aid to defend my own privileges; and, so far from being intimidated, I shall be emboldened to express myself with greater freedom, if possible, to denounce the corruption of the administration, or the violation of the laws and of the constitution, in consequence of this attempt to restrain the free exercise of the right of expressing my opinions upon all subjects concerning the public interests, secured to me by the constitution. I leave the Senate to determine what measures the preservation of their own privileges demands.

Much less do I intend to comply with the request, or demand, made of me; demand has no place between equals, and I hold myself within my constitutional privilege, at least equal to the Chief Magistrate himself. I, as legislator, have a right to investigate and pronounce upon his conduct, and condemn his acts freely, whenever I consider them to be in violation of the laws and of the constitution. I, as a Senator, may *judge him;* he can never judge me.

My object is to avail myself of the occasion to reiterate what I said, as broadly and fully as I uttered them on a former occasion, here in my place, where alone I am responsible, and where the friends of the President will have an opportunity to correct my statement, if erroneous, or to refute my conclusions, if not fairly drawn. I spoke without notes, and it may be that I may omit something which I said on the former occasion that may be deemed material, or express myself less fully and strongly than I then did. If so, I will thank any Senator to remind me, so that my statement now may be as strong and as full as then.

If my memory serves me, I opened my remarks, when I

spoke formerly, by stating that so many and so subtle were the devices by which those who were in power could, in these times, fleece the people, without their knowing it, that it was almost enough to make a lover of his country despair of its liberty. I then stated that I knew of no measure which could better illustrate the truth of this remark, than the one now before us. Its professed object is to restrict the sales of public land, in order, as is avowed, to prevent speculation; and, by consequence, the accumulation of a surplus revenue in the treasury. The measure is understood to be an administration measure. I then stated that, so far from preventing speculation, it would, in fact, but consummate the greatest speculation which this country has ever witnessed—a speculation originating in a state of things of which those in power were the authors; by which they had profited; and which this measure, should it become a law, would but complete. I then asked what had caused such an extraordinary demand for public land, that the sales should have more than quintupled within the last three years?—and said that, to answer this question, we must look to the state of the currency. That it was owing to the extraordinary increase of bank paper, which had filled to repletion all the channels of circulation. The Secretary had estimated this increase, within that period, from six dollars and fifty cents per individual, to ten dollars. I believed the increase to be much greater—the effects of which have been to double the price of every article, which had not been kept down by some particular cause. In the mean time the price of public lands had remained unaltered at one dollar and twenty-five cents the acre: and the natural consequence was, that this excessive currency went out upon the public land, and had caused those extraordinary speculations which it was the professed object of this act to prevent.

I then asked what had caused this increase of paper? The answer was, the "experiment." I love to remind the

gentleman of the word—) which had removed the only restrictions that existed against the issue of bank paper. The consequence was predicted at the time; it was foretold that banks would multiply almost without number, and pour forth their issues without restriction or limitation. These predictions were, at the time, unheeded; their truth now begins to be realized.

The experiment commenced by a transfer of the public funds from where they were placed by law, and where they were under its safeguard and protection, to banks which were under the sole and unlimited control of the Executive. The effect was a vast increase of Executive patronage, and the opening a field of speculation, in describing which, in anticipation, I pronounced it to be so ample, that Rothschild himself might envy the opportunity which it afforded. Such it has proved to be.

The administration has profited by this vast patronage, and the prejudice which it has excited against *the bank*, as the means of sustaining itself in power. It is unnecessary to repeat the remarks, in illustration of this. The truth of the statement is known to all the Senators, who have daily witnessed the party topics which have been drawn from this fruitful source. I then remarked that, if rumor were to be trusted, it was not only in a political point of view that those in power had profited by the vast means put in the hands of the Executive by the experiment,—they had profited in a pecuniary, as well as in a political point of view. It has been frequently stated, and not contradicted, that many, in high places, are among the speculators in the public lands; and that even an individual connected with the President himself, one of his nephews, was an extensive adventurer in this field of speculation. I did not name him, but I now feel myself called upon to do so. I mean Mr. McLemore.

Having established these points, I next undertook to show that this bill would consummate those speculations,

and establish the political ascendency which the experiment had given to the Administration. In proof of the former, I availed myself of the declaration of the Chairman of the Committee on Public Lands, who had stated that the speculators had already purchased and held a vast amount of public land—not less, as I understood him, than twenty-five or thirty millions of acres; and that if this bill did not pass, the scenes of the last two years would be repeated in this and the coming year. I then undertook to show, from the statement of the Chairman himself, that these speculations would prove ruinous without the aid of this bill. He had stated that the annual demand for public land, resulting from our increased population, could not exceed five millions of acres.

Now, assuming that the quantity on hand is thirty millions of acres, there would be six years' supply in the hands of speculators, even if the land-offices of the United States be closed; and, if the bill did not pass, according to his showing, it would take double or treble the time to dispose of the lands, which, in that case, will be in the hands of speculators. All must see the certain ruin, in that event, of those who have borrowed money to speculate in land; particularly if the sales of public land should be free and open to every one, as it now is, to purchase to the extent of his means. I next showed that the contest was between the Government, as a dealer in public land, and the speculators; that they held in market at least an equal quantity in value to that which the Government now has offered for sale, and that every restriction imposed upon the sales of Government land, must, of necessity, increase the advantages of its rival dealers.

I then showed that very onerous and oppressive restrictions, of an odious character, upon the sales of the public lands, would be imposed, if the bill should pass. No one thereafter could purchase land of the Government without

license—a license, in my opinion, as offensive and odious as would be a license on the press. To obtain this license, the oath of the applicant was required; and then it could only be obtained on payment of one dollar and twenty-five cents per acre, for which the citizen may now receive a grant in fee simple. After he had made his purchase, under authority of his license, the purchaser had to comply with the condition of settlement and cultivation, and must, within the period of five years, prove to the satisfaction of the register and receiver, who are made high judicial officers, a compliance with these conditions, before he could receive his title; and if he failed to comply, by accident or otherwise, he forfeited both his money and the land. I stated that this was a virtual increase of the price of the public lands to the actual settler; so much so, that any sober-minded man would prefer to give the speculators two dollars per acre for land of the same quality, to giving the Government one dollar and twenty-five cents for a license, with these oppressive conditions.

Having established this point, I then undertook to show, that it would increase vastly the power of the Government in the new States, if they chose to exercise this patronage for political purposes. That they would so use it, we had ample proof in the past conduct of the administration, and in the principles which had been openly avowed by its friends. A former Senator from New-York, high in the confidence of the party, and now Chief Magistrate of that State, had openly avowed, in his place on this floor, that to the victor belong the spoils, for which he was reprimanded, at the time, by the Senator from Massachusetts (Mr. Webster), in a manner worthy of his distinguished talents. Assuming, then, that the power would be exercised with a view to political influence, I showed that it would place a vast number of the citizens of the new States, probably not less than one hundred thousand, in a condition of complete

dependence on the receivers, and of vassalage to the Government.

These are the sentiments which I delivered on a former occasion, and which I now reiterate to the full extent—omitting nothing that is material, as far as connected with the letter of the President; and, for the delivery of which, my privileges as a Senator, and those of this body, have been so grossly outraged.

[Mr. Grundy and Mr. Walker rose and stated that they had been attentive listeners during the debate alluded to in the President's letter, and corroborated the correctness of Mr. Calhoun's statement of what he had said on that occasion.]

Mr. Calhoun then said that he was gratified at what had been said, and that all might now see, from their statement, and the acquiescence of others, what little cause the President had for the outrage upon his privilege, and that of the Senate, and for applying language to him which is never used in intercourse between gentlemen, and better suited to the purlieus of Billingsgate than to the mansion of the Chief Magistrate.

REMARKS

On the Correspondence of our Government with that of Great Britain, in relation to the Case of the brigs Comet, Emporium, and Enterprise, made in the Senate, February 14th, 1837.

Mr. Calhoun said, it would be remembered that, on his motion, a resolution was adopted some time since, requesting the President to communicate to the Senate the correspondence between this Government and that of Great Britain,

in relation to the case of the brigs Emporium and Enterprise. He held in his hand the Message of the President in answer to the resolution, from which he found there was another case (that of the Comet), of a similar character, of which he was not aware when he made his motion, and which occurred as far back as 1832. He had read with care the correspondence; but, he must say, with very little satisfaction. It was all on one side. Our Executive has been knocking—no, that is too strong a term—tapping gently at the door of the British Secretary, to obtain justice, for these five years, without receiving an answer—and this, in the plainest case imaginable. It was not his intention to censure those who had been intrusted with the correspondence on our part. They had written enough, and more than enough; but truth compelled him to say, the tone was not high enough—considering the injustice to our citizens, and the outrage on the flag and honor of the Union. His remarks were intended to apply more especially to the latter part of the correspondence—after the long delay without an answer from the British Government. At first, in so plain a case, little more could have been thought necessary than a plain statement of the facts—which was given in a very clear and satisfactory manner in the letter of the President elect, in the case of the Comet.

Without repeating what he said on the introduction of the resolution, he would remind the Senate of the facts of the case in the briefest manner possible.

The three brigs were engaged in the coasting trade; and, among other passengers, had slaves on board, belonging to our citizens, who were sending them to the southwestern States with a view to settlement. The Enterprise was forced, by stress of weather, into Port Hamilton, Bermuda; where the slaves on board were forcibly seized and detained by the local authorities. The other two were wrecked on the Keys belonging to the Bahama Islands, and the passengers and

crew taken by wreckers, contrary to their wishes, into Nassau, New Providence, where the slaves shared the same fate as at Bermuda.

These are the essential facts of the case. He did not intend to argue the questions that grew out of them. There was, indeed, little or no ground for argument. No one, in the least conversant with the laws of nations, can doubt that those vessels were as much under the protection of our flag, while on their voyage, proceeding from one port of the Union to another, as if they were in port, lying at the wharves, within our acknowledged jurisdiction. Nor is it less clear that, forced as the Enterprise was, by stress of weather, and taken, under the circumstances, as the passengers and crews of the other two were, into the British dominions, they lost none of the rights which belonged to them while on their voyage on the ocean. So far otherwise—so far from losing the protection which our flag gave them while on the ocean, they had superadded, by their misfortunes, the additional rights which the laws of humanity extend to the unfortunate in their situation, and which are regarded by all civilized nations as sacred. It follows as a necessary consequence, that the municipal laws of the place could not divest the owners of the property which, as citizens of the United States, they held in the slaves who were passengers in the vessels; —and yet, as clear as is this conclusion, they were forcibly seized and detained by the local authorities of the islands; and the Government of Great Britain, after five years' negotiation, has not only withheld redress, but has not even deigned to answer the oft-repeated applications of our Government in regard to it. We are thus left, by its silence, to conjecture the reasons for so extraordinary a course.

On casting his eyes over the whole subject, he could fix but on one that had the least plausibility—and that resting on a principle which it was scarcely credible that a government so intelligent could assume:—he meant the principle

that there could not be property in persons. It was not for him to object that Great Britain, or any other country, should assume this, or any other principle, it might think proper, as applicable to its own subjects, but he must protest against the right to adopt it as applicable to our country or citizens. It would strike at the independence of our country, and be not less insulting than outrageous; while it would ill become a nation, that was the greatest slaveholder of any on the earth—notwithstanding all the cant about emancipation—to apply such a principle in her intercourse with others. It is true, to speak out boldly on this subject, and to expose freely the folly and hypocrisy of those who accuse others of that, in which, if there be guilt, they are most guilty themselves—ours is not the only mode in which man may have dominion over man. The principle which would abrogate the property of our citizens in their slaves, would equally abrogate the dominion of Great Britain over the subject nations under her control. If an individual can have no property in another, how can one nation, which is but an aggregate of individuals, have dominion, which involves the highest right of property, over another? If man has, by nature, the right of self-government, have not nations, on the same principle, an equal right? And, if the former forbids one individual from having property in another individual, does not the other equally forbid one nation holding dominion over another? How inconsistent would it be in Great Britain to withhold redress for injustice and injury to our citizens, committed in the West Indies, on the ground that persons could not be property, while, in the East Indies, she exercises unlimited dominion over a hundred millions of human beings, whose labor she controls as effectually as our citizens do that of their slaves? It is not to be credited that she will venture to assume, in her relations with us, a principle so utterly indefensible, and which could not but expose her to imputations that would

make her sincerity questionable. This she must see; and to the fact that she does see, he attributed her long and obstinate silence.

But, it may be asked, why does she not then make reparation at once in so clear a case? Why not restore the slaves, or make ample compensation to their owners? He could imagine but one motive. She had among her subjects many whose fanatical feelings on this subject she was unwilling to offend. But, while respecting the feelings of her own subjects, blind and misdirected as they are, she ought not to forget that our Government is also bound to respect the feelings and rights of its citizens. Let her remember that, if to respect the rights which our citizens have over their slaves, be offensive to any portion of her subjects, how much more so would it be to our citizens for our Government to acquiesce in her refusal to respect our rights to establish the relation which one portion of our population shall have to another—and how unreasonable it would be for her to expect that our Government should be more indifferent to the feelings of our citizens than hers to any portion of her subjects. He, with every lover of his country, on both sides, desired sincerely to see the peace and harmony of the two countries preserved; but he held that the only condition on which they could possibly be preserved, was that of perfect equality, and a mutual respect for their respective institutions; and he could not but see that a perseverance in withholding redress in these cases, must, in the end, disturb the friendly relations which now so happily exist between the two countries.

He hoped, on resuming the correspondence, our Government would press the claim for redress in a manner far more earnest and better becoming the importance of the subject, than it has heretofore been done. It seemed to him that a vast deal more had been said about the decision of the courts and the acts of the British Government, than ought to have been said. They had little or nothing to do with the case,

and can have no force whatever against the grounds on which our claims for justice stand. However binding on her own subjects, or foreigners voluntarily entering her dominions, they can have no binding effect whatever, where misfortunes, as in these cases, placed our citizens within her jurisdiction.

If they be properly presented, and pressed on the attention of the British Government, he could not doubt but that speedy and ample justice would be done. It could not be withheld but by an open refusal to do justice, which he could not anticipate. As to himself, he should feel bound, as one of the representatives from the slaveholding States, which had a peculiar and deep interest in the question, to bring this case annually before Congress so long as he held a seat on this floor, if redress shall be so long withheld.

SPEECH

On the Motion to refer the Message of the President concerning the Relations of the United States with France, to the Committee on Foreign Relations; delivered in the Senate, February 14, 1837.

I RISE with feelings entirely different from those of the Senator from Pennsylvania, Mr. Buchanan. He said he never listened to any message with greater satisfaction than the present. That which has excited such agreeable sensations in his breast, I have heard with the most profound regret. Never did I listen to a document with more melancholy feelings, with a single exception—the war-message from the same quarter, a few years since, against one of the sovereign members of this Confederacy.

I arrived here, said Mr. C., at the beginning of the session, with a strong conviction that there would be no war. I saw, indeed, many unfavorable and hostile indications; but I thought the cause of difference between the two countries was too trivial to terminate so disastrously. I could not believe that two great and enlightened nations, blessed with constitutional governments, and betwéen whom so many endearing recollections existed to bind them together in mutual sympathy and kindness, would, at this advanced stage of civilization, plunge into war for a cause so frivolous. With this impression, notwithstanding all I saw and heard, I still believed peace would be preserved; but the Message and the speech of the Senator from Pennsylvania have dispelled the delusion. I will not undertake to pronounce with certainty that war is intended, but I will say, that, if the recommendations of the President be adopted, it will be almost inevitable.

I fear that the condition in which the country is now placed has been the result of a deliberate and systematic policy. I am bound to speak my sentiments freely; it is due to my constituents and the country, to act with perfect candor and truth on a question in which their interest is so deeply involved. I will not assert that the Executive has deliberately aimed at war from the commencement; but I will say that, from the beginning of the controversy to the present moment, the course which the President has pursued is precisely the one calculated to terminate in a conflict between the two nations. It has been in his power, at every period, to give the controversy a direction by which the peace of the country might be preserved without the least sacrifice of reputation or honor, but he has preferred the opposite. I feel, said Mr. C., how painful it is to make these declarations; how unpleasant it is to occupy a position which might, by any possibility, be construed into opposition to our country's cause; but in my conception, the honor and the

interests of the country can only be maintained by pursuing the course that truth and justice may dictate. Acting under this impression, I do not hesitate to assert, after a careful examination of the documents connected with this unhappy controversy, that, if war must come, we are the authors—we are the responsible party. Standing, as I fear we do, on the eve of a conflict, it would have been to me a source of pride and pleasure to make an opposite declaration; but that sacred regard to truth and justice, which, I trust, will ever be my guide under the most difficult circumstances, will not permit.

I cannot but call back to my recollection the position which I occupied, twenty-four years since, as a member of the other House. We were then, as I fear we are now, on the eve of a war with a great and powerful nation. My voice then was raised for war, because I then believed that justice, honor, and necessity demanded it. It is now raised for peace, because I am under the most solemn conviction that by going to war, we would sacrifice justice, honor and interest. The same motive which then impelled to war, now impels to peace.

I have not, said Mr. C., made this assertion lightly. It is the result of mature and deliberate reflection. It is not my intention to enter into a minute examination of that unhappy train of events which has brought the country to its present situation; but I will briefly touch on a few prominent points, beginning with that most unfortunate negotiation, which seems destined to terminate so disastrously for the country.

From the accession of the present king, his Ministry avowed itself favorable to the settlement of our claims. It could scarcely be otherwise. The king had just been raised to the throne, under a revolution originating in popular impulses, which could not but dispose him favorably towards us. La-

fayette, at the time, possessed much power and influence, and had greatly contributed to elevate Louis Philippe to his present station. His feelings were known to be decidedly favorable to us. But, with all this favorable inclination, the Ministry were fearful of concluding a treaty. They dreaded the Chambers; they knew how odious all treaties of indemnity were to the entire French nation, and how difficult it would be to bring the Chambers to agree to make an appropriation to carry a treaty of indemnity into effect, even with our country. With these impressions, they frankly stated to Mr. Rives, our Minister, that the difficulty was not with them, but with the Chambers; that if a treaty were made, it could not be carried into effect without a vote of appropriation from the Chambers; and it was very doubtful whether such a vote could be obtained. These declarations were not made once, or twice; they were repeated again and again, throughout every stage of the negotiation, and never more emphatically than in the very last, just before the conclusion of the treaty.

The President of the Council, M. Perrier, in a conversation with Mr. Rives, at that late period, stated that there would be no difficulty in arranging the question, were it not that he feared opposition on the part of the Chambers, which might place the relation between the two countries in a more dangerous state, by refusing to make the appropriation. How prophetic! as if he had foreseen what has since come to pass. I do not profess to give his words; I did not anticipate the dicussion, and have not come prepared with documents; but what I state is substantially what he said. With this apprehension, he asked our Minister to wait the short period of two months, for the meeting of the Chambers, that they might be consulted before the conclusion of the treaty, in order to avoid the possibility of the embarrassment which has since occurred, and which has so dangerously em-

broiled the relations of the two countries. Mr. Rives objected, and the treaty was concluded.*

* Extract of a part of the correspondence between Mr. Rives and the French Minister during the negotiation, taken from the Report of the Committee on Foreign Relations during the last session.

"It appears from a despatch of Mr. Rives to the Secretary of State, under the date of the 18th of September, 1830, at his first interview with the French Secretary of Foreign Affairs after the revolution which placed the present King of France on the throne, that this French Minister said, that he thought that the principle of indemnity would be admitted, but that the amount of the claims was a very complex question, depending on a great variety of considerations, and requiring minute and detailed examination; 'that he believed our claims would encounter much less opposition with the Government (meaning the king and his Ministers), than with the Chambers; that he had thought of an organization of a commission to examine the subject, consisting of members of both Chambers, as the best means of preparing those bodies for an ultimate decision; and he should submit the proposition at an early day to the Council.' In a subsequent despatch of Mr. Rives, of the 9th November, 1830, he says, 'the dispositions of the king, as well with regard to this subject [the American claims], as to the general relations between the two countries, are every thing we could desire. The difficulty exists in the extreme reluctance of the nation to pay any more *indemnities*, and the necessity which the Government feels itself under of consulting the representatives of the nation, and securing their approbation to any arrangement which may be ultimately concluded. The commission, of the formation of which I have already apprised you, has grown entirely out of this feeling."

On the occasion of an audience with the king, Mr. Rives, in his despatch of the 18th January, 1831, says, that the king, in replying to his remarks, "reiterated the sentiments he had heretofore expressed to me, and referred to the measures he had taken, with a view to bring the difference between the two countries to a conclusion." * * * * "The king proceeded to say, that since the reading of the President's message, he had 'remonstrated' against all unnecessary delays in the prosecution of the business, and assured me that every thing should be done, on his part, to bring it to the earliest termination, notwithstanding the disastrous state of their finances."

The commission appointed to examine our claims made their report. The majority of four rejecting our claims growing out of the Berlin and Milan decrees, as well as the Rambouillet and other special decrees, estimated the sum to which they supposed the United States to be fairly en-

Now, I submit, said Mr. C., to every man of integrity and honor, whether we, in accepting the treaty after these

titled, according to Mr. Rives, at between ten and fifteen millions of francs, and the majority of two, admitting the claims rejected by their colleagues, at thirty millions. In an interview between the French Minister of Foreign Affairs and Mr. Rives, described in his despatch of the 28th of April, 1831, the Minister "spoke of the intrinsic difficulty of all *money* questions in a representative government, increased in the present instance by the almost unanimous report of the commission." In another interview with the President of the Council of Ministers, described in the same despatch of Mr. Rives, Mr. Perrier said: "He felt all the importance of cultivating good relations with the United States, and that he was sincerely desirous of adjusting this ancient controversy; but, that their finances, as I saw, were exceedingly deranged, and that there would be great difficulty in reconciling the Chamber of Deputies to an additional charge on the enfeebled resources of the state, for claims too, which had not arisen from any wrong done by the present Government of France." In the same despatch Mr. Rives reports: "The king expressed, as he has always done, very cordial sentiments for the United States; said he had frequently called the attention of his Ministers to the necessity of settling our reclamations; that they had always objected the embarrassed state of the finances; but he hoped they would yet find the means of doing justice."

In a despatch of Mr. Rives, of the 7th of May, 1831, communicating the offer of twenty millions of francs, in full satisfaction of our claims, and his declining to accept it, he states the French Minister to have replied, "that the offer he had just made was one of extreme liberality; that it would subject the Ministers to a severe responsibility before the Chambers; that he had been already warned, from various quarters, that he would be held to a strict account for his settlement of this affair." In the same despatch Mr. Rives details a conversation which he had had with the President of the Council, respecting the amount of our claims, in which he said, "that it was particularly hard that the burden of their adjustment should now fall upon the existing government, in the present crippled state of its resources, and when all its expenses were upon a war footing; and that it was certainly not the interests of either country to make an arrangement which the legislative authority here might refuse to carry into execution."

In another despatch of Mr. Rives, of the 29th of May, 1831, he relates a conversation in an interview with the President of the Council. That Minister, Mr. Rives states, "then said that, but for the Chambers, there would be less difficulty in arranging this question; but that he apprehended

repeated declarations, did not accept it subject to the condition which they implied; that is, whether, in point of fact, the stipulation of the French Executive ought not to be fairly construed, with these declarations made at the formation of the treaty, to amount simply to an engagement to use his best endeavors to obtain the assent of the Chambers to the appropriation. Such would certainly be the understanding, in a similar case, between honorable and conscientious individuals; and such, I apprehend, will be the opinion hereafter, when passions shall have subsided, of every impartial inquirer after truth.

The question is now presented, Has the French Executive complied with his promise? Has he honorably, faithfully, and earnestly endeavored to obtain the assent of the Chambers? To these questions I shall not reply. I leave

a very serious opposition to it on their part, which might even more seriously embroil the relations of the two countries, by refusing to carry into execution any arrangement which should be made." He added, "that two months sooner or later could not be of much importance in the settlement of this question, and asked me if there would be any objection to adjourning its decision till the meeting of the Chambers, when the Ministers could have an opportunity of consulting some of the leading men of the two Houses." This postponement was objected to by Mr. Rives, and was not insisted upon.

During the progress of the negotiation the principle of indemnity was early conceded. The French Minister first offered fifteen millions of francs. Mr. Rives demanded forty. The French Minister advanced to twenty, to twenty-four, and finally, with extreme reluctance, to twenty-five. At the point of twenty-four, Mr. Rives came down to thirty-two, as the medium between the two proposals. At that of twenty-five, the French Minister announced it as their ultimatum; and, in a despatch of Mr. Rives of the 24th June, 1831, he reports the French Minister to have said, "that it was the opinion of the most enlightened and influential members of both Chambers, that the offer of twenty-four millions, heretofore made, was greatly too much; ———, ———, ———, ———, and other leading members of the one Chamber or the other, whom he mentioned, had already expressed that opinion to him, and emphatically warned him of the serious difficulties to which this affair would expose Ministers."

the answer to our Executive and to our Ministers. They have explicitly and honorably acquitted the French Executive on this important point.

But, said Mr. C., let us turn to the conduct of our own Executive in relation to this important part of the controversy. If the implied obligation on the part of the French Executive was such as I suppose, there was a corresponding one, on the part of ours, to interpose no obstacle in obtaining the assent of the Chambers. How stands the fact? Mr. Rives, in communicating to our Executive the result of the negotiation, boasted of his skill, and the advantage which he had acquired over the French negotiators. I pass him by. It was, perhaps, natural for him to boast. What does the Executive do? With a full knowledge of all the facts, forewarned of the difficulty which the French Ministry would have to encounter in the Chambers, he publishes to the world this boastful communication, which produced a sensation in France, such as might have been expected, which increased in the same proportion the difficulty of obtaining the assent of the Chambers to the appropriation. The next step increased the difficulty. Knowing, as he did, that the appropriations depended upon the Chambers, the then Secretary of the Treasury, without waiting for its action, drew a bill for the payment of the first instalment, before the appropriation was made, and before, of course, it could possibly be paid. A protest necessarily followed, accompanied with much irritation on both sides.

With these obstacles, created by our own acts, the treaty was submitted to the Chambers. Every effort was made to obtain the appropriation. The Minister displayed uncommon zeal and abilities in defence of the treaty; but in vain, under these multiplied difficulties. The bill was rejected by a majority of eight votes—a number so small, in so large a body, that it may be fairly presumed, without any violence, that, had not Mr. Rives's letter been published, and the

draft drawn before the appropriation was made, the majority would have been on the other side, and all the unhappy train of consequences which have since followed would have been prevented. So earnest were the French Ministry in their efforts to carry the bill, that their defeat dissolved the administration.

With these facts before us, who can doubt where the responsibility rests? We had thrown the impediments in the way;—we who had been so urgent to obtain the treaty, and who were to profit by its execution! It matters not, in the view in which I am considering the question, to what motives the acts of our Executive may be attributed—whether to design or thoughtlessness—it cannot shift the responsibility.

Let us now proceed to the next stage of this most unfortunate affair.

I pass over the intervening period; I come to the opening of the next session of Congress. In what manner does the President, in his message at the opening of the session, notice the failure of the French Chambers to make the appropriation? Knowing, as he must, how much the acts to which I have referred had contributed to the defeat of the bill, and that his administration was responsible for those acts, it was natural to expect that he would have noticed the fate of the bill in the calmest and most gentle manner; that he would have done full justice to the zeal and fidelity of the French Executive in its endeavor to obtain its passage, and would have thrown himself, with confidence, on the justice and honor of the French nation for the fulfilment of the treaty;—in a word, that he would have done all in his power to strengthen the Executive Government in France, in their future efforts to obtain the appropriation, and have carefully avoided every thing that might interpose additional obstacles. Instead of taking this calm and considerate course, so well calculated to secure the fulfilment of the

treaty, and so befitting the dignity and justice of our Government, he sends a message to Congress, couched in the strongest terms, and recommending that he should be invested with authority to issue letters of marque and reprisal in the event of the appropriation not being made—a measure, if not tantamount to war, leading to it by almost a necessary consequence. The message was received in France with the deep feeling of irritation which might have been expected; and under this feeling, with all the impediments which it was calculated to create, the bill to carry the treaty into effect had, the second time, to make its appearance in the Chambers. They were surmounted. The bill passed, but not without a condition—a condition which causes the present difficulty.

I deeply regret, said Mr. C., the condition. In my opinion the honor of France did not require it, and the only vindication that can be offered for the Ministry in accepting it, is the necessity of the case—that it was indispensable to its passage. But surely, in the midst of the difficulties which it has caused, we ought not to forget that the acts of our own Executive were the cause of its insertion.

This, said Mr. C., brings us to the present stage of this unhappy controversy. I shall not offer an opinion on the message and documents which have just been read, till I have had time to read them at leisure, and more fully comprehend their character and bearing. The Senator from Pennsylvania has probably had the advantage of me in knowing their contents.

[Here Mr. Buchanan signified his dissent.]

I will not, said Mr. C., make the remarks that I intended, but I am not satisfied with much that I have heard in the reading of the message and the documents. I am, in particular, very far from being satisfied with the reasons assigned by the Secretary of State why he did not accept

the copy of the letter from the Duke de Broglie to the French Chargé d'Affaires here, which the latter offered to put in his possession. I regret exceedingly that we have not that document. It might have shed much light on the present state of this unhappy controversy. Much mystery hangs over the subject.

There is another point which requires explanation. There is certainly some hope that the message at the opening of the session may be favorably received in France. The President has in it expressly adopted the explanation offered by Mr. Livingston, which affords some hope, at least, that it may prove to be satisfactory to the French Government. Why, then, send this message at this time? Why recommend preparations and non-intercourse, till we have heard how the message has been received in France? Suppose its reception should be favorable, in the absence of a representative of our Government at the French court, nothing could be done till the message which we have just received shall have passed the Atlantic and reached Paris. How unfortunate would be the consequence! What new entanglements and difficulties would be caused in the relations of the two countries! Why all this? Who can explain? Will any friend of the administration rise in his place and tell us what is intended?

I might ask, said Mr. C., for like explanation, why our Chargé was recalled from Paris at the time he was. Why not wait until the annual message was received? Whom have we there to represent us on its reception, to explain any difficulty which might remain to be explained? All these things may have a satisfactory explanation. I cannot, however, perceive it. There may be some deep mystery in the whole affair, which those only who are initiated can understand.

I fear that with the message which we have this day received, the last hope of preserving the peace of the country

has vanished. This compels me to look forward. The first thing that strikes me, in casting my eyes to the future, is the utter impossibility that war, should there unfortunately be one, can have an honorable termination. We shall go into war to exact the payment of five millions of dollars. The first cannon discharged on our part would be a receipt in full for the whole amount. To expect to obtain payment by a treaty of peace would be worse than idle. If our honor would be involved in such a termination of the contest, the honor of France would be equally involved in the opposite. The struggle then would be, who should hold out longest in this unprofitable, and, were it not for the seriousness of the occasion, ridiculous contest. To determine this point, we must inquire which can inflict on the other the greater injury, and to which the war must be most expensive. To both a ready answer may be given. The capacity of France to inflict injury upon us is ten times greater than ours to inflict injuries on her; while the cost of the war, in proportion to her means, would be in nearly the same proportion less than ours. She has, relatively, a small commerce to be destroyed, while we have the largest in the world, in proportion to our capital and population. She may threaten and harass our coast, while her own is safe from assault. Looking over the whole ground, I do not, said Mr. C., hesitate to pronounce that a war with France will be among the greatest calamities—greater than a war with England herself. The power of the latter to annoy us may be greater than that of the former; but so is ours, in turn, greater to annoy England than France. There is another view connected with this point, deserving the most serious consideration, particularly by the commercial and navigating portion of the Union. Nothing can be more destructive to our commerce and navigation, than for England to be neutral, while we are belligerent, in a contest with such a country as France. The whole of our commercial marine, with our entire shipping, would pass almost in-

stantly into the hands of England. With the exception of our public armed vessels, there would be scarcely a flag of ours afloat on the ocean. We grew rich by being neutral while England was belligerent. It was that which so suddenly built up the mighty fabric of our prosperity and greatness. Reverse the position—let England be neutral while we are belligerent, and the sources of our wealth and prosperity would be speedily exhausted.

In a just and necessary war, said Mr. C., all these consequences ought to be fearlessly met. Though a friend to peace, when a proper occasion occurs, I would be among the last to dread the consequences of war. I think the wealth and blood of a country are well poured out in maintaining a just, honorable, and necessary war; but, in such a war as that with which the country is now threatened—a mere war of etiquette—a war turning on a question so trivial as whether an explanation shall or shall not be given—no, whether it has or has not been given (for that is the real point on which the controversy turns), to put in jeopardy the lives and property of our citizens, and the liberty and institutions of our country, is worse than folly—is madness. I say the liberty and institutions of the country. I hold them to be in imminent danger. Such has been the grasp of Executive power, that we have not been able to resist its usurpations, even in a period of peace; and how much less shall we be able, with the vast increase of power and patronage which a war must confer on that department? In a sound condition of the country, with our institutions in their full vigor, and every department confined to its proper sphere, we would have nothing to fear from a war with France, or any other power; but our system is deeply diseased, and we may fear the worst in being involved in a war at such a juncture.

I have, said Mr. C., in conclusion, no objection to the message and documents going to the Committee on Foreign

Relations. I have great confidence in the committee, and have no doubt that they will discharge their duty to the Senate and to the country with prudence and wisdom, at the present trying juncture. But let me suggest a caution against the hasty adoption of the recommendations of the message. To adopt them, would be to change for the worse the position which we now occupy in this unfortunate controversy, and lead, I fear, directly to war. We are told that a French fleet has been sent to the West Indies, which has been considered as a menace, with the intention of frightening us into hasty measures. The French Government itself has said, in its official journal, that it acts on the defensive, and that there is no legitimate cause of war between the two countries. We would not be justified, with these declarations, connected with the circumstances of the case, were we to regard the sending the fleet as a menace. We must not forget that we, in this controversy, are, as my colleague said the other day in debate, the plaintiffs, and France the defendant. If there must be war, it must come from us, not France. She has neither motive nor cause to make war. As we, then, must declare the war, it is not strange that France, after what has passed, should prepare for the worst; and such preparation ought fairly to be considered, not as a menace, but as a precautionary measure resulting from our own acts. But should we in turn commence arming, it must be followed on the part of France with increased preparation, and again on ours with a corresponding increase, till, at length, the pride and passions of both parties would be so wrought up as to burst out into open violence.

I have, said Mr. Calhoun, thus freely expressed my opinion upon this important subject, feeling a deep conviction that neither justice, honor, nor necessity, impel to arms; and that a war with France, at all times, and more especially at the present, would be among the greatest calamities that could befall the country.

REMARKS

On the proposed Increase of the Army, made in the Senate, February 16, 1837.

[The Bill to increase the military establishment of the United States being at its third reading, and the question being on its passage, Mr. Southard demanded the yeas and nays; and they were ordered by the Senate.]

Mr. Calhoun addressed the Senate at length in opposition to the bill; not, however, as he said, with the least hope of preventing its passage. There was money in the treasury, and it must be spent, and this he knew would prove, with many gentlemen, a reason why the bill must pass. Yet, bearing a certain relation to this branch of our establishment, he felt called upon to say a few words, and they should be very few. He could not assent to the bill. The object it proposed was useless, and a good deal more than useless. The bill proposed to increase our existing military establishment, as a peace establishment too,—by the addition of 5,500 men, making the aggregate amount of the army over 12,000 men, and augmenting the expense of its maintenance by a million and a half or two millions of dollars. Was this necessary? He contended that it was not, and that there never was a time when there was so little necessity for a measure of this character. Abroad, we were at peace with all the world; and as to Mexico, he believed no gentleman seriously contemplated that we were to go to war with her. Never had there been a time when so little force was necessary to put our Indian relations upon the safest footing. Our Indian frontier had, within a few years, been contracted to one-half its former dimensions. It had formerly reached from Detroit all the way round to the mouth of the St. Mary's, in Georgia;

whereas, at present, its utmost extent was from St. Peter's to the Red River. To guard this frontier, the Government had nine regiments of artillery, seven of infantry, and two of dragoons. He would submit to every one to say whether such a line could not be amply defended by such a force. Supposing one regiment to be stationed at St. Louis, and another at Baton Rouge, there still remained seven regiments to be extended from St. Peter's to Red River Supposing one of them to be stationed at St. Peter's, one upon the Missouri, one in Arkansas, and one upon the Red River, there were still three left at the disposal of the Government. He contended that this force was not only sufficient but ample. He should be told that there was a very large Indian force upon this frontier. That was very true. But the larger that force was, the more secure did it render our position ; provided the Government appointed among them faithful Indian agents, who enjoyed their confidence, and who would be sustained by the Government in measures for their benefit. Of what did this vast Indian force consist ? In the first place, there were the Choctaws, who had removed beyond the Mississippi with their own consent ; a people always friendly to this Government, and whose boast it was that they had never shed, in a hostile manner, one drop of the white man's blood. Their friendship was moreover secured by heavy annuities, which must at once be forfeited by any hostile movement. Whenever this was the case, the Government possessed complete control by the strong consideration of interest. Next came the friendly Creeks, who had all gone voluntarily to the west bank of the river. Then came the friendly Cherokees, who had done the same thing ; and next the Chickasaws, whom we also held by heavy annuities. All this vast body of Indians were friendly towards the United States, save a little branch of the Creeks ; and it would be easy for any prudent administration, by selecting proper agents, and sustaining them in wise measures, to keep the whole of these

people peaceable and in friendship with this Government; and they would prove an effectual barrier against the incursions of the wild Indians in the prairies beyond. But to increase largely our military force, would be the most certain means of provoking a war; especially if improper agents were sent among them—political partisans and selfish land-speculators. Men of this cast would be the more bold in their measures, the more troops were ready to sustain them; every body knew that an Indian force, when fairly opposed to whites in the field, was as nothing. Where there were no swamps and fastnesses, and they had to contend in the open field, they were not more formidable than buffalo. Now they were congregated in a high, dry, prairie country; and in a country of that description, opposed to horse or artillery, they could do nothing.

Mr. C. then proceeded to denounce the bill as a measure of extravagance, designed chiefly to expend the money in the treasury for objects not only unnecessary but pernicious. He went into some general observations on the corrupting tendency of the present course of policy, and then observed that every change that had been made in the army had gone to destroy its *morale*. He had not the least confidence that the proper materiel would be selected in the bestowment of the many prizes which this bill proposed to create. All must remember what had been the history of the regiment of dragoons in this respect. Who had been appointed to command in that corps? In many instances cadets who had been discharged for misconduct in the Military Academy. Persons of this cast had been set over those who had gone through the whole course in that institution in a manner most highly creditable. The effect had been demoralizing, and he feared that the results of this bill would prove still more so. Mr. C. then proceeded in a course of general objection to all measures calculated to increase the powers of the General Government; dwelt on the central tendency of

our system; the necessity of diminishing and generalizing the action of this Government, as our population increased. He compared the Government to a partnership. While there were but few partners, the regulations might be minute and particular; but when they were numerous and amounted to hundreds, the system must be more general.

Our chief arm of defence was the navy. This was exterior in its character, and less dangerous on the ground of patronage; and it would be his policy to increase this arm of the national force, and to render it respectable in the eyes of foreign nations. Then this Government needed a sound judiciary and a well-regulated post-office, and beyond this he would not advance one inch. He concluded by remarks of a general character on the state of the treasury, and the determination to expend the surplus that it might not be returned to the people.

[Here Mr. Benton made some remarks, and concluded by referring to the report of the Secretary of War (Mr. Calhoun), in 1818, as proof of inconsistency on his part. To which Mr. Calhoun replied:]

He was much gratified with the opportunity of showing, that there was not the slightest inconsistency between his course at this time, and that to which the Senator from Missouri had so triumphantly alluded. Mr. C. then went on to recapitulate the grounds of objection he had before stated, as the reduction of the Indian frontier, &c. And how had the Senator met these objections? By reading a report made by him when Secretary of War, in opposition to a proposed reduction of the army. Mr. C. alluded to the different state of the country at the two periods of time. We had just emerged from the exasperation of a recent war, in which numbers of the Indians had been engaged, and many cruelties committed. There still remained much hostile feeling on both sides. A large force remained at Rouse's Point, and another at Sackett's Harbor. Our fortifications were dilapi-

dated. There were 100,000 hostile Indians in the interior of the country, in the very midst of us, besides a vast body still more hostile on the frontier. The South American States had recently been liberated from the yoke of Spain, and the Holy Alliance were meditating an armed interference in that contest, and were with difficulty dissuaded from the attempt. Under these circumstances, he had been of opinion that the proposed reduction in our military establishment should not take place. The Senator from Missouri, however, had forgotten to tell the Senate one thing: that he himself had certainly aided in the reduction, and voted for it in 1821; and yet he accuses me of inconsistency in now opposing its increase. Mr. C. said that, when the reduction did take place, he had been almost the only man who was in favor of fixing the number of the army at 10,000. Mr. Dashiell, a member of the other House, had proposed 6,500; to which Mr. C. had replied, that he would assent to that number, but for the large British force still remaining in Canada. The same principles which actuated him then, governed him now; and he was happy in being able to show that there was no inconsistency in his course. The man who was upright in his intentions, and who desired only to do his duty, need not fear falling into inconsistency. The report which the gentleman had quoted, Mr. C. prided himself in. He had been urged by parties on both sides, but he had stood firm and kept his ground—objecting to the reduction, on the principle that the establishment of the army should be the most stable thing in the Government. As to the charge of having been in favor of fortifying the Gulf and the Chesapeake, and now being opposed to fortifications, Mr. C. had urged those measures when he was in the House of Representatives; and afterwards, when Secretary of War, he had used his utmost exertions to have the objects effected. The Senator charged him with opposing the defence of Baltimore, but the charge was not fairly stated. The fortification of Baltimore formed but one item in a bill

which went to lavish millions; and his opposition had been directed against the bill in general, on account of its extravagance. He never had been in favor of fortifying all the exposed points in the Chesapeake Bay, because they were so numerous. His plan had been to fortify thoroughly below, and to combine the defence by forts with that from floating batteries and the navy.

Besides, the expenditures of the Government in 1818 had been very different from what they were now. The whole expenditure then, exclusive of the public debt, had not exceeded ten millions. It was now twenty-five or twenty-six millions, and yet Mr. C. was accused of inconsistency in opposing, under circumstances so different, an uncalled for extension of our military establishment. The Senator had referred to our experience in the Black Hawk war, as demonstrating an increase of the army to be indispensable. Our experience in that war demonstrated a very different thing. It proved that we should appoint among the Indians faithful agents, who would not stand by and suffer the Indians to be trampled in the dust. And, as to the Florida war, he had recently conversed with a gentleman from the spot, who assured him that nothing occasioned that contest but the very grossest neglect on the part of the Government. General Thompson, our Indian agent, and formerly a member of the other House, when a certain order of the department, in respect to the purchase of negroes, had been received by him, had warmly remonstrated, and had even refused to execute the order, warning the department that it would inevitably provoke a war. The order, however, had been enforced by the authority of the President himself, as Mr. C. understood. In like manner General Clinch had again and again apprised the Government that there would be hostilities on that frontier, unless additional forces should be despatched to strengthen his position. And, as to the miserable Creek war, he believed that the Senators from Georgia themselves would

both admit, that frauds and oppression, beyond all human endurance, had been the real cause of that contest. It was more than human nature would endure. The reptile itself would turn when it was trampled on.

[Mr. Cuthbert of Georgia here interposed with some warmth; but, owing to his distant position, what he said could not be distinctly heard. He was understood, however, to deny the charge as applied to Georgia, and to refer it to the treatment of Indians in Alabama.]

Mr. Calhoun insisted on the truth of the charge. The facts were open, and palpable, and notorious as our own existence. Men had made fortunes by treating those Indians in such a manner as fixed a stain on human nature. Mr. C. again said, that what was wanted to protect us from the Indians, was not more troops, but more faithful agents. The remnants of these native tribes were now a disheartened and broken down people. They had once esteemed themselves the greatest nations on the earth, but they had now become convinced of our strength and their own weakness. The half-bloods among them were partially civilized. They were sensible of the value of property, and very desirous to acquire it. The heavy annuities accruing to their tribes by treaties with the Government, afforded ample security for their remaining peaceable, unless oppressed beyond endurance. Send them fit agents, and you will hear no more of Indian wars.

Mr. C. briefly recapitulated the grounds of argument he had advanced, and observed, in conclusion, that, while the navy was our great arm of defence, all that we needed in the army was, to keep up our military science, and to preserve a well-organized staff. On the latter subject, he had not particularly examined this bill. It was very possible that there might be some necessity for increasing the staff of the army; and if, on further investigation, he should be convinced of this, and a separate bill should be introduced for that pur-

pose, he would very cheerfully yield it his support; but for the present bill he could not vote.

[Here several other members participated in the debate. Among these, Mr. Linn of Missouri addressed the Senate at considerable length in favor of the bill, concluding with a gloomy account of Indian depredations in the West, and calling earnestly on the Government for the protection which the people of the State had a right to demand.]

Mr. Calhoun again rose and referred to an apparent inconsistency in the estimates of the Secretary of the Treasury, in which Mr. C. was understood to say, the Secretary had fixed the expense of 5,500 men at about $3,000,000; and of 7,000 men at only $3,800,000. Mr. C. inquired how both these estimates could be correct.

The Senator from Missouri (Mr. Linn), Mr. C. said, claimed protection for the people of that State. It was Mr. C.'s object to give them protection; and if Mr. L. would join him in procuring the appointment of honest, skilful, and faithful Indian agents, such protection might be secured, or at least rendered unnecessary. And in an open country, he said, a very small white force, with artillery and cavalry, could overthrow any Indian force that might be brought against them.

It had been mentioned as a difficulty, that the regiments of the army would not be kept full enough. Mr. C. thought it a much better remedy for this difficulty to increase the pay of the troops, rather than to increase the nominal number. The measures of this Government, he said, had disturbed and embarrassed the currency of the country, raised the prices of the means of living, and the wages of such as might be employed in the army; and now, in order to obviate all this, it was proposed to increase the army with 5,500 men. Mr. C. insisted that this was no adequate remedy. The cause of the evil lay deeper—in the past measures of the Government,

and the consequent increase of banks, which would still increase and swell the currency, till an explosion would be inevitable, without a timely remedy.

Mr. C. deemed the troops already in service as ample to defend that frontier. The Indians, he said, were a poor, broken down, dissipated people, and all that was wanted was faithful and skilful Indian agents. He thought they ought to be left to themselves in relation to wars between them and the Indians further west. If not allowed to go to war when they thought proper, they would all die of drunkenness. He would let them go to war, and drive the wild Indians still further west. In every view of the bill, Mr. C. regarded it as objectionable, and hoped it would not pass.

REMARKS

On the joint Resolution in reference to the Madison Papers, made in the Senate, Feb. 20th, 1837.

[The joint resolution for making an appropriation for the purchase of the manuscript papers of the late President Madison, relative to the proceedings of the convention who framed the Constitution of the United States, being under consideration,]

Mr. Calhoun said, this resolution from the Committee on the Library proposed to appropriate $30,000 to accomplish the object proposed. The facts, he said, were these: Mr. Madison, under the impression that these papers would be favorably received by the Public, and by Publishers, had levied several legacies upon them, one of some thousands of dollars to the Colonization Society, and some smaller ones to other public charities, in addition to some private bequests. But, so far from his anticipations having been realized, it seemed that Mrs. Madison was unprepared to run the risk of

publishing them at all, and on this account had applied to the President in relation to them. He had recommended to Congress to purchase them ; and the Committee on the Library had consequently made this report.

Every one, Mr. C. said, was ready to render to the memory of Mr. Madison all possible respect. But the questions involved in this case were of a constitutional character, and it was therefore impossible for Mr. C. to vote for the proposition. The question was, Have Congress the right to make this appropriation ? The constitution gives Congress the power to lay and collect taxes to pay the debts of the Government, and to provide for the common defence and general welfare. It was under this provision of the constitution that Mr. C. understood this appropriation was to be made.

In reference to this clause of the constitution, there had long been a diversity of opinion. From the very commencement of the Government, the two great parties in the country were divided upon it. One of these parties conceived that, by these words in the constitution, Congress had the right, in promoting the general welfare, to appropriate money to any and every object which they believed would be conducive to the promotion of the general welfare. The other party, at the head of which was Mr. Madison himself, believed this power was limited by the constitution, and that Congress have no right to make an appropriation, unless authorized to do so by a specific provision of the constitution. These two schools had existed from an early stage of the Government to the present time. Mr. Madison, in his celebrated report of 1799, had given his views on the subject, in the most clear and conclusive language, which required not one word from Mr. C. He would ask the Secretary to read the passage on the 23d, 24th, 25th, 26th, and 27th pages of the report.

[The Secretary then read the passage indicated by Mr. Calhoun.]

Here, Mr. C. said, Mr. Madison, by a very able argument

had proved, beyond all controversy, that Congress has the power only to make specific grants, and that no more than specific powers are vested in them by that clause of the constitution. The opposite doctrine involved unlimited power in the possession of Congress. Mr. C. would not repeat the argument. Mr. Madison had also predicted, what Mr. C. feared that he should see fulfilled, that the opposite argument would lead to consolidation, or was consolidation itself, and that the consequent effect would be a monarchy. What was prediction in 1799, was already, Mr. C. said, in part realized. We had not yet arrived at the stage of monarchy, but the Executive Department was in a fair way of absorbing the whole powers of the system.

Mr. C. held it to be due to the memory of Mr. Madison and to the powerful argument just read in his report, that questions of this kind should be considered with all possible caution. He had given his views of this portion of the constitution in the prime of his life and vigor of his manhood; and such views elevated Mr. Jefferson to the Chief Magistracy in the political revolution of 1800, and afterwards elevated Mr. Madison himself. The fame of this illustrious man, and the debt which we owed him for all he did for our institutions, demanded that we should do nothing on the present occasion to show a want of respect for him or his sentiments.

The question now before the Senate, Mr. C. said, was, whether Congress had the power to purchase the copyright of Mr. Madison's papers, which, in the present state of political feelings, were regarded, of little or no value in the money market. Mr. C. regarded it as truly deplorable, that these invaluable papers, which threw a light upon the constitution which had never been shed upon it before, should be deemed of no value by the public, absorbed with party politics and the low love of gain, so that such a work could not be published. But where, Mr. C. asked, was the special power in

the constitution for Congress to publish such a work? This was a solemn question, the answer to which should be shown not by precedent, but by the constitution. The practice of Congress, Mr. C. said, had been most loose on this and all other points. But the real question was, whether there was such a power in the constitution. The Chairman of the committee had not rested his argument on this, but on the broad general principle, that these papers would throw a new and brilliant light upon our institutions, and constitute a new era in their history, and in the progress of the human mind, thus promoting the general welfare by the diffusion of intelligence, for which Congress had no authority in the constitution. Mr. C. felt that his position in opposition to this resolution was a painful one; but the opinions of Mr. Madison, which were the text-book of Mr. C., and of those with whom he acted, demanded that he should not abandon it. He had spoken as briefly as possible, and wished chiefly for the opportunity of recording his vote against the proposition.

[Mr. Preston here rose in support of the resolution, and defended, at some length, the constitutionality of the proposed appropriation. He was followed by Mr. Crittenden and Mr. Webster on the same side, who concurred entirely in the expediency and constitutionality of the purchase.]

Mr. Calhoun rejoined, and further insisted upon the ground he had before taken. There was no diversity of opinion as to the value of these manuscripts, nor with regard to the great character of Mr. Madison, nor as to its being a very desirable object that this work should be published; but whether it should be published by the agency of Congress, was a different question. The work, however, would be published at all events. Mrs. Madison had been offered $5,000 for it. That was sufficient to secure the publication. If Congress wished any copies for the library, they

could furnish themselves with as many as might be necessary. Why must they purchase the copyright? Would this application ever have come here, if Mrs. Madison had been offered by the booksellers enough money to cover the legacies in her husband's will?

[Mr. Crittenden interposed, and said he presumed it would. The reverence in which that distinguished woman held her husband's memory, would naturally induce her to desire to dispose of this manuscript rather to the Government of his country than to booksellers. As to purchasing the copyright, so precious did he hold the manuscript itself, that, did he possess it, he would not take the $30,000 for it.]

Mr. Calhoun resumed, and insisted that, let gentlemen twist and turn the question as they pleased, it amounted to neither more nor less than this—an appropriation by Congress to pay the legacies in Mr. Madison's will. Mr. C. profoundly regretted that those legacies had ever been charged upon the avails of this manuscript. Mr. Madison had died childless, and had left his wife in easy circumstances. How much better would it have been, had he left this work free of all cost as a legacy to the American people? And he no less regretted that Mrs. Madison had ever made the present application to Congress, and his regret was yet heightened, because a compliance with her request involved a plain and palpable violation of that rule in the interpretation of the constitution which Mr. Madison himself had laid down. The rule was full of the profoundest political wisdom and foresight, and evinced in the mind of that great man a just foreboding as to the fate of this Government. It would honor the memory of Madison far more to regard this rule, than to purchase this manuscript. And if the manuscript itself was esteemed so valuable, there was no doubt that the printer, after the edition was worked off, would very gladly give the original to Congress. He then went on in a course of argument to show, that the appropriation involved a violation of

the principles laid down by Mr. Madison, with respect to limited powers, and would, if carried out, leave it in the power of the Government to perform any act whatever, which it might deem conducive to the general welfare. In reply to the inquiry of Mr. Crittenden, as to the erection and decoration of the Capitol, he observed that the case was very plain. They were a legislative body, and must have a house in which to assemble; and whether the building were small or large, more or less expensive, did not vary the constitutional question. As to its profuse decoration, there had been many politicians of the old school who doubted its expediency, and thought that much plainer buildings would have been more consistent with our republican simplicity. As to the exploring expedition, Mr. C. greatly doubted the right of Congress to sanction any such measure. But thus we proceeded, step by step; one departure was made to sanction another, until, at length, they came down to the great question which had originally separated the two parties in this Government. Mr. C. admitted that, when a young man, and at his entrance upon political life, he had inclined to that interpretation of the constitution which favored a latitude of powers; but experienced observation and reflection had wrought a great change in his views; and, above all, the transcendent argument of Mr. Madison himself, in his celebrated resolutions of 1798, had done more than all other things to convince him of his error. The opposite course tended to a government of unlimited powers, and in such a government the Executive Department must inevitably swallow up all the rest. The Senator from Kentucky (Mr. Crittenden) had warred nobly against Executive encroachments, but that warfare would be all in vain unless the money power of the Government should be closely watched. He had been struck with the sagacity and foresight of Mr. Jefferson, in a remark of that great statesman, that legislative usurpation would always precede executive,

but that executive would always succeed it. Yet there would be a thousand cases, which so strongly appealed to the hearts and sympathies of legislators, that these salutary restraints and warnings were all in danger of being swept away; and he who should oppose appeals of that nature, would come to feel little in his own eyes, and to accuse himself of a want of the noblest feelings of the heart. He concluded by once more asserting, that the naked question before the Senate was, whether they would vote an appropriation to pay the legacies in Mr. Madison's will. As he could not in conscience vote in the affirmative, he desired that the question should be taken by yeas and nays.

[Mr. Rives here submitted his views, at considerable length, in support of the resolution; during which he intimated that the course of Mr. Calhoun was calculated, if not designed, to cast censure on Mr. Madison.]

Mr. Calhoun explained. He had cast no censure on the legacies of Mr. Madison. On the contrary, he considered them as all very proper; and he must be allowed to say that he was not a little surprised at the nature and tone of the remarks of the Senator from Virginia. That which had called forth the expression of his regret had been simply this: that the legacies charged on the avails of these manuscripts should have had the effect of bringing this application before Congress. What he had said was, that if an arrangement could have been made with the booksellers that would have covered those legacies, this application never would have been made; and there was nothing in the language of the will to show the contrary. Mr. C., after a brief recapitulation of the ground he had taken, concluded by observing, that not one of the cases quoted by the Senator from Virginia availed in the least against the constitutional objection he had advanced; nor had he said any thing which any friend of Mrs. Madison had the least right to take exception to.

SPEECH

On the Bill introduced by Mr. Wright, Chairman of the Committee on Finance, to repeal and reduce certain Duties therein mentioned; delivered in the Senate, February 23d, 1837.

THE annunciation by the Chairman of the Committee on Finance, that this bill was framed and introduced on the assumption that the act of 1833 was no longer to be respected, gave to it an importance which demanded the most serious consideration. That act closed the tariff controversy between the North and the South; and the question now presented to us is, shall it again be opened to us? Shall we reopen a controversy which, during the long period from 1821 to 1833, agitated the country, governed its legislation, controlled the presidential elections, and finally shook its institutions to the centre? Shall we of the South, in particular, assent to open this formidable controversy—we who are, on this subject, in a permanent minority? Shall we agree to surrender our share of interest in the act of 1833—an act which has already repealed from twenty to twenty-five millions of duties annually; and which, if left undisturbed, will in a few years take off ten more, and reduce the duties to the constitutional and legitimate wants of the Government? Will we agree to surrender all these advantages, which were extorted from the adverse interest at the hazard of civil conflict, and take our chance in the renewed conflicts which must follow, if the controversy be again opened? This, the Chairman of the Committee on Finance asks you to do; and what is the compensation he holds out to you for such great sacrifices?

The whole may be summed up in the repeal of the duty

on salt, amounting annually to about $550,000. It is true, this bill goes further, and provides for a reduction to the amount of $2,400,000 annually; but of these the larger portion are duties under twenty per cent. ad valorem, which by the act may be repealed without disturbing the compromise; and the residue, with the exception of salt, and perhaps one or two other articles, are either of a doubtful character, or can be repealed by common consent of all the interests involved. Here, then, is the great boon which is proffered by the Senator (Mr. Wright), to induce us to sacrifice our interest in the act of 1833, to magnify which, he has pronounced an eulogium on the magnanimous course of the State of New-York, in assenting to the repeal of the duty on salt, of which article, he tells us, she manufactures more than any other State; while he forgets to inform us that she has little or no interest in the repeal, as she has secured a monopoly in favor of her manufacture, by the imposition of an enormous duty on the transportation of salt on her canals, through which channel only the imported can come in competition with the manufactured salt. The question now to be decided is, shall we accept the boon and make the sacrifice?

I acknowledge the duty to be odious and unequal, but I must think, as much so as it may be, we should purchase its repeal too dearly by the sacrifice we are asked to make. Regarded as a mere pecuniary transaction, and laying aside all political considerations, we would not be justified. The duty on salt amounts, as I have stated, to upwards of half a million annually; while the average reduction of duties under the act of 1833, will not be less than two millions annually, for the next five years—all of which we may reasonably expect will be taken off, if, on our part, we firmly adhere to the act. But this is altogether too strong a statement of the case on the side of repeal.

The Senator, in his eagerness to magnify the oppressive

character of the duty on salt, stated it to be ten cents the bushel—overlooking the fact, that the act of 1833 has already reduced it below eight cents, and that it will in a short time reduce it below three, if it be left undisturbed ; so that the real question is not between a repeal and a permanent continuance of the duty at ten cents, as the Senator would have us believe, but between a sudden repeal of eight cents, and a gradual reduction, in the course of a few years, to the low rate of duty I have stated. It is, in fact, substantially a question between a sudden and a gradual repeal ; and, regarded in that light, I would submit to the judicious of all parties, which is the preferable, viewed in the abstract, without regard to the act of 1833? The Chairman states the present duty at an average of about eighty-six per cent. ad valorem ; I would ask, would it be wise to repeal at once so high a duty? Can it be done without ruinous losses, as well to the dealers in the article, as the manufacturers? Even Carolina, in the heat of her contest against the protective system, never contemplated allowing less than six or seven years for the reduction of the protective duties to the revenue point ; and shall we now, by a sudden and total repeal of so high a duty, prove ourselves less considerate in relation to existing investments, than a State so decidedly opposed to the whole system in the midst of the greatest excitement?

But, whichever may be preferable, it is certain, that the practical difference, as far as the South is concerned, is too small to warrant the sacrifice of the great interest which she has in maintaining inviolable the act of 1833 ; particularly when we consider that, small as is the difference, we have no assurance of ever receiving this inconsiderable boon. Let us not forget that, if we of the South vote for this bill, we not only give much, where we can receive but little, but we also give a certainty for an uncertainty. By the *vote itself*, whether the act passes or *not*, we surrender our position. We cannot, after disregarding the interests of others in the

act, insist that they shall respect ours, when they become the subject of discussion. If we should now vote to repeal or reduce duties more rapidly than the act provides, how can we complain if the manufacturing interests should hereafter increase the duties, or retard, or arrest the reduction provided by the act? Fair and honorable dealing has ever distinguished the Southern character, and I trust we have too much self-respect to complain, if the measure we now mete to others should hereafter be measured to ourselves. Our vote, then, for this measure would release the opposite interests from all obligation to respect the act of 1833, whatever may be the fate of this bill. Now, I ask, what assurance have we that this bill will pass? Is it not almost certain that it cannot? We are now within seven days of the end of the session. The bill is in Committee of the Whole, and cannot pass the Senate in less than two days; and what prospect is there that it can pass the other House in so short a time, with the great diversity of opinion which must exist there, as to its merits? It is next to impossible.

But, suppose it to be practicable, have we any assurance that those who have introduced the bill are sincere in their desire to pass it? Have we no cause to apprehend that it is a mere political manœuvre, without regard to the interest of North or South, and which the contrivers would rather see defeated than passed? I must say that, to me, it seems to wear that appearance. Why has this bill been delayed to this late period? It is now more than three weeks since it was reported; and why were measures of little importance, and, to say the least, of doubtful policy, permitted to occupy the time of the Senate, in preference to this which we are now told is so important? Why such contradictory declarations as to the state of the treasury? At one time we are told that there will be no surplus, and that the duties must be raised; and at another, that the revenue will be so excessive as to call, not only for the passage of this bill, but the extraordi-

nary one which has passed this body in relation to the public lands. With all these indications, gentlemen must not be surprised that I am somewhat incredulous as to their zeal or sincerity, which is not a little increased when I look to the source from whence it comes. Have you forgot the tariff of 1828, that bill of abominations so execrated by the South, and which has brought so many disasters on the country? I have (looking at Mr. Wright) its author in my eyes, and he knows the fact. He well remembers the part he bore in the passage of that act, and the means by which it was effected. It was passed by a breach of faith. We were deceived then. It will not be my fault if we be deceived now. To guard against that, I must ask the indulgence of the Senate, while I give a brief narrative of the passage of that oppressive act, and the part which the Senator acted at the time. I have no intention to wound his feelings. My object is not personal. That would be unworthy of the occasion, and, I trust, of myself. Far different motives actuate me. From the past we learn to anticipate the future. We then followed his lead. We know the result. He now invites us again to follow him on the same subject, though apparently in an opposite direction. Shall we follow? His course on the former occasion will best enable us to decide that question. I was a witness of the events of the day, and feel called upon to give the history of the transaction, in order to guide our decision now.

The tariff of 1828 was as much a political movement as a measure of protection. The protective policy had triumphed in Congress by the passage of the Tariff Act of 1824, which was followed by the election of Mr. Adams to the presidency the next year, by which the protective system gained an ascendency in the executive, as it had previously in the legislative department of the Government. Emboldened by this success, an attempt was made in the session of 1826–7 to increase the duty on wool and woollens, which was rejected

by my casting vote as presiding officer of this body. These interests, not finding themselves strong enough to force their way through Congress, determined, in the spirit of the system, to unite with other interests, so that by, their joint influence, they might secure a majority. With this view, a combined movement was made by the manufacturing interests, which met at Harrisburg, and agreed on a new tariff to be laid before Congress at the next session, containing a long list of articles with a great increase of duties. This movement was understood to have the countenance and support of the then administration. In the mean time, the anti-tariff interests of the South had selected General Jackson as the candidate against Mr. Adams for the presidency. His principal strength in the tariff States lay in Pennsylvania, New-York and Ohio. They were thoroughly in favor of the protective system, and his supporters there were not a litle alarmed at the movement at Harrisburg. The battle was to be fought in Congress, and thus the presidential election came to be blended with the subject of the tariff, as it will ever be when an open question.

On the meeting of Congress, the administration proved to be in a minority in the House of Representatives; and their opponents elected Mr. Stevenson (now Minister at the court of St. James) Speaker, and then, as now, a devoted friend to the President elect. It was apparent that the movements of the session would be governed by the tariff question, and the Committee on Manufactures was so organized, as to give the control to the friends of Mr. Van Buren in the Middle and Western States. Mr. Mallary, who had long been Chairman, was continued; but the present Chairman of the Committee on Finance (Mr. Wright), who was then a member of the other House—Mr. Moore of Kentucky, afterwards Minister to Colombia—and Mr. Stephenson of Pittsburg, were placed on the committee, who, with one member from the South, gave a majority against the administration. Rep-

resenting, as the committee did, the interests of the Middle and Western States—which were thorough tariff, without opposing or conflicting interests of any kind,—they reported a bill with much higher duties, and far more comprehensive in its items, than the Harrisburg project—which was predicated on the joint interests of the whole tariff party, comprehending New England, where industry was divided between manufactures on one side, and commerce and navigation on the other. The staple States were wholly opposed to the protective system, and their representatives being in a minority, had no alternative but to choose between the two projects; and the question was then presented, *what ought to be done?* One of two courses might be taken: to join the New England interest, and vote such amendments to the bill as would make it acceptable to them; or to resist all such amendments, and take the chance of the members from New England joining those of the South, to defeat the bill in its passage in one or the other House. By the former course, they would certainly defeat the bill as reported by the Committee on Manufactures; but they would as certainly insure its passage in a mitigated form—as the members from the Middle and Western States would take any tariff, however small the increase of duty, rather than have none. The former would have fixed the system on the country more firmly than ever; particularly as it would have involved, in all probability, the re-election of Mr. Adams, the acknowledged candidate of the tariff interests. The latter afforded a reasonable prospect of defeating the whole system, as well as the re-election of Mr. Adams. The difficulty in this course was the possible reunion of the two tariff interests, by mutual concession in the last stage, in order to insure the passage of the bill. To guard against that result, assurances were given which placed the representatives of the South at ease on that point. I speak not of my own personal knowledge. It was generally so understood at the

time ; and I was informed by individuals who had a right to know, and who consulted with me what course, under the pressing difficulties of our situation, ought to be adopted, that such was the fact. Our friends accepted the assurance, and accordingly resisted all amendments that would make the bill acceptable to the Eastern interests, as the only possible means of defeating an odious and oppressive system.

The bill passed the House, but in so obnoxious a form to the New England States, that a large portion of their representatives joined those of the South in voting against it. When sent to the Senate, it was soon ascertained that, in this body, where the Southern and Eastern States had a much larger representation in proportion, there was a decided majority against it in the form in which it came from the House. Every New England Senator, with the exception of one or two, was understood to be decidedly opposed ; and relying on the assurance on which our friends acted in the House, we anticipated with confidence and joy that the bill would be defeated, and the whole system overthrown by the shock. Our hopes were soon blasted. A certain individual, then a Senator, but recently elected to the highest office in the Union, was observed to assume a mysterious air in relation to the bill, very little in accordance with what, there was every reason to believe, would have been his course. The mystery was explained when the bill came up to be acted upon. I will not give in detail his course. It is sufficient to say, that, instead of resisting amendments, as we had a right to expect, he voted for all which were necessary to secure the votes of New England ; particularly the amendments to raise the duties on woollens which were known to be essential for that purpose. All these amendments, with one or two exceptions, were carried by his votes, as appears from the journal, now on my table, which I have recently examined. If his name had been recorded on the opposite side, they would have been lost, and with them the bill itself.

He held, at this critical juncture, the fate of the country in his hands. Had he acted in good faith, the bill of 1828 never would have become a law; and the responsibility of its defeat would have fallen on those who first moved on the subject, and would have prostrated the administration which gave that movement its support. With the prostration of the administration would have followed that of the protective system itself, and thus all the consequences which followed that disastrous act would have been averted. Why a course, which good faith, as well as the public interest, so obviously dictated, was avoided, and the opposite pursued, has never been explained. It is certain that the instructions of the New-York Legislature did not require it; but it may be that those by whose agency the bill was passed, and who owe their present ascendency to it, then, as now, saw the advantage, in a party view, in having the tariff an open question, however much the country might be the sufferer.

Having traced the tariff of 1828 to the Chairman of the Committee on Finance, and the President elect, as its authors; I next propose to trace, very briefly, what followed down to the passage of the act of 1833, which settled the controversy that grew out of the former,—and which this bill, originating with its authors, is intended to unsettle,—in order that the Senate may have a connected view of the whole series of events connected with this deeply important subject, and of which the present measure forms the last.

I have already stated, that General Jackson had been selected by the opposition, as the candidate against Mr. Adams; and it now becomes necessary to add, what were the motives which governed the opposition, as far as myself and friends were concerned, in making this selection. They were altogether political. There never was any intimacy, at any time, between him and myself. Our relations were simply *friendly*, without being in any degree confidential. The leading objects were: to reverse the precedent that brought Mr.

Adams into power—to arrest the protective system—to overthrow the principle in which it originated, and to restore the old republican doctrines, from which the Government had so greatly departed.

After a long and arduous struggle, the protective system had completely triumphed, as has been stated, in the election of Mr. Adams. Successful opposition by an anti-tariff candidate was hopeless; and the opponents of the system were, accordingly, compelled to select some one whose position, in relation to the tariff, was not well defined; and who had a popularity in the States friendly to the protective system, unconnected with politics. General Jackson united these advantages, to which he added others, which recommended him to the confidence of the South. He was a cotton planter and a slaveholder; and as such, it was believed, would use his power and influence to arrest the further progress, and to correct the excesses, of a system so oppressive to the staple States. Circumstances connected with the passage of the act of 1828 first weakened that confidence. I refer in particular to the course of one of the Senators from Tennessee at the time, who was known to be in the entire confidence of General Jackson. I mean not him (Judge White) who sits at my right;—his conduct throughout was above all suspicion; and let me here add, as an act of justice, that, at a subsequent period, when the bill of 1833 was pending, the country owes much to his upright and firm conduct, as the presiding officer of the Senate, in effecting the passage of that measure, which closed the controversy and saved the country from a civil conflict. The course of Mr. Eaton, the individual to whom I allude, was well calculated, on the occasion, to excite doubts as to the views and intentions of General Jackson in relation to the protective policy. Without going into detail, it is sufficient to say that he voted for the bill; and that on one or two decisive questions, on which the fate of the bill depended, it was saved by his votes. These indications shook our confidence

in General Jackson; and that, at the critical moment when the passage of the bill cast so deep a gloom over the South, and menaced with so much danger the liberty and institutions of the country.

With the decline of our confidence in General Jackson, it became necessary to seek some efficient remedy that could not deceive, should he fail to fulfil the object for which we selected him as our candidate. That remedy we found in State interposition; and every effort was made without delay to revive the doctrines of the Kentucky and Virginia resolutions of 1798, which formed the original basis of the republican party, but which had so long lain dormant or neglected, as furnishing means of arresting the fatal consequences of the act of 1828, in the event that all others should fail.

In the mean time, the opposite interest was not idle. Measures were taken without delay to secure and perpetuate the advantages already acquired. With this view, the first movement was made by Mr. Dickerson, then a member of the Senate, but now Secretary of the Navy, who was then, as now, a decided friend of the President elect. At the next session he introduced a bill for the distribution of the surplus revenue, as a permanent measure, intended to perpetuate and protect the system. This was the origin of the measure, now so frequently and loudly denounced by the Senator from New-York, and those who act with him. Whatever evil may flow from it, the responsibility is on him and his political associates, who originated and supported the tariff of 1828. As to us, we saw at once the design and tendency of the measure, and without delay opposed it so decidedly as to defeat its passage. I am gratified to perceive that the Senator with whom the act of 1828 (the cause of the surplus) originated, is now compelled to acknowledge by his acts our foresight, and the correctness of the course which we pursued; but he must permit me to say, that it is unkind in him, who was the author of the evil, to hold us up as the friends of distri-

bution—a measure originating with his party, and introduced in order to perpetuate an act of which he is the author. Instead of censure, he ought to give us some credit for sagacity in foreseeing those evils which he so often denounces, and for our patriotism in raising our warning voice against the measure in which they originated. He might surely, in our past conduct, find some apology for us, in the fact that we, who have been opposed to distribution, should now, when the surplus is in a regular course of reduction by the act of 1833, prefer depositing an unavoidable surplus with the States, rather than leave it to the deposit banks for the benefit of stockholders and political partisans. It is not exactly just, that they who have done the mischief should escape the blame, and that censure should fall on those who have in every stage been opposed to distribution, and have done all in their power to prevent a surplus.

The failure of Mr. Dickerson's movement in Congress to perpetuate the tariff of 1828 by distributing the surplus revenue, did not deter the party from pursuing their favorite scheme. The next movement was at the Hermitage, and with so much success, that General Jackson was secured in its favor before he arrived in this place to assume the duties of Chief Magistrate. Short as was his inaugural address, it contained, as originally drafted, a recommendation in favor of distribution, which he was induced, with great difficulty, to take out. I speak not of my own knowledge, but on authority on which I implicitly rely. The scheme was not abandoned, though taken out of his inaugural address. He strongly recommended it to Congress in his first and second annual messages, in direct opposition to the opinion of several of the ablest members of his cabinet; and this, too, before the reduction of the tariff of 1828, when, according to his confession in his last message, it would have tended powerfully to perpetuate that oppressive and disastrous measure.

That he acted in concert, in all this, with the authors of

the tariff of 1828, we have conclusive evidence in the corresponding movements of the New-York Legislature. Governor Marcy, of that State, followed up the message of the President by a strong recommendation in favor of the distribution of the surplus, to which the legislature responded by a vote of approval, by a decisive majority; but the measure was too repugnant to the feelings of the community to be forced through Congress, even by the aid of party machinery, backed by the influence and popularity of the President.

In the mean time, the period of the final payment of the public debt was rapidly approaching, when, without a very great reduction of duties, there must be an immense surplus revenue which could not be absorbed by the legitimate objects of expenditure; and yet the administration then, as at all times, under the control of the party to which the Senator belongs, were too much engrossed in the paltry politics of the day to make the least preparation to meet a juncture so full of embarrassment and danger. Our course was different. We clearly saw what was coming, and prepared in time for the crisis. We saw that if the tariff of 1828 was perpetuated, the staple States would be reduced to poverty and ruin, and accordingly opposed, with all our might, every attempt of the Senator and his party to perpetuate that odious and oppressive measure. We saw, with equal clearness, that without reduction there would be an immense surplus, and, at the same time, that there was not the slightest prospect of such reduction from those in power, who were either blind to the danger, or too indifferent to the interests of the country, to bestow a moment's attention on the subject. Above all, we saw the danger of so large a surplus; the vast increase, in consequence, of the power and patronage of the Executive; the corruption and speculation that would follow, with the loss of all responsibility on the part of those in power. In all this we could not but see the overthrow of our institutions, and, with them, of the liberty of the coun-

try, unless some effectual remedy should be applied. This remedy, as I have stated, was to be found in State interposition, and we accordingly spared no exertion in preparing our State to meet coming danger under the banner of State sovereignty. In the mean time, we patiently waited the final payment of the public debt, when, if a sufficient reduction of the duties was not made, by which only the approaching calamity could be averted, it was resolved to interpose the sovereign voice of the State as the last and only efficient remedy.

At the opening of the session of 1831-32, the President, in his annual message, announced that the public debt might be considered as extinguished, as there was money in the treasury to meet the remnant unpaid; and then, for the first time, the administration began to move on the reduction of the protective duties; but even then, when forced by necessity to act, so absurd and inefficient were the schemes proposed for reducing the duties, that it may well be doubted, even now, whether their desire to keep open the dangerous and vexed question of the tariff did not preponderate over all other motives. Instead of proposing a system of gradual reduction, which would bring down the duties in a limited period to the wants of the treasury, after the discharge of the debt, without the overthrow of the manufacturing establishments of the country, which was obviously the only practicable and wise course; a partial and inefficient bill was introduced, which provided a limited reduction without any regular plan. It received the sanction of Congress, and was officially announced to be a final adjustment of the tariff between the conflicting interests. The amount of the reduction of the revenue under its provisions was estimated not to exceed three or four millions of dollars, and yet it was seriously maintained that this inconsiderable reduction would bring down the revenue to the wants of the Government; and such was the force of party delusion at the time, that gen-

tlemen of intelligence returned home and staked their reputation and re-election on that issue. But we were not deceived then, as we do not intend to be now. We clearly saw through the deception, and took our stand at once, with a fixed determination to close the dangerous controversy, and throw off the oppressive and unconstitutional burden which weighed so heavily upon the energy and prosperity of the South. The time for action had arrived. The debt was paid, and yet the tariff of 1828, the offspring of the Senator from New-York and his party, remained almost in full energy. After a warm canvass, the State of South Carolina, as one of the sovereign members of this Union, met in convention, declared the act to be unconstitutional, and as such null and void. In a word, we nullified. Then followed the Proclamation and Force Bill, as the ultimate means of prolonging the existence of the odious and unconstitutional act of 1828, which the party of which the Senator is a member had attempted to fix on the country by a scheme of permanent distribution, and which, when the issue was made, they were ready to sustain at the hazard of civil war. But, thanks to a kind Providence which has watched so constantly over our destinies, their counsels did not prevail. The spirit of conciliation and compromise overruled that of violence and force. The memorable bill of 1833 was introduced by the Senator from Kentucky (Mr. Clay), and became a law of the land in despite of the Protective and Force Bill party. It closed the conflict between the North and the South, which, if not revived by the arts of those who passed the tariff of 1828, will, I trust and believe, remain closed for ever.

Such is the train of events which led to the act of 1833, and the circumstances under which it passed, and we are now called on to decide whether we shall adhere to its provisions or not. The Senator from New-York invites us to surrender our interest in it, and to open anew the tariff controversy; and with a view to test our determination, has inserted in

this bill the repeal of the duty on salt. He signifies his dissent. I am glad of it. It proves that he dreads a direct issue on the subject, which is not surprising after the statement made; but I must tell him, that it is immaterial whether it was so intended or not. Salt is among the articles comprehended in the act, and, if we may touch one item, we may all. To vote for the repeal of a single item, unless with common consent, as effectually surrenders the compromise as to vote for the repeal of all.

The Senator from New-York must excuse me. I feel it my duty to speak plainly, where the interest of my constituents and the whole country is so deeply concerned. I must tell him I lack confidence in him. I see in his bill a design, under the *show* of reduction, to revive the tariff controversy, by which he and his party have so much profited at the expense of the country. It is an artful and bold stroke of party policy, calculated to distract and divide the opposition, and place almost unlimited control over the capital and labor of the country in the hands of those in power. It affords the means of appealing to the hopes and fears of every section and interest, while the distraction and division which must follow, would prevent the possibility of united efforts to arrest the abuses and encroachments of power. Experience has taught us to understand the game, and to be on our guard against those who are playing it. We cannot close our eyes to the fact, that the party which is now so intent to disturb the compromise, is the very party that was the author of the tariff of 1828, and which, after using every effort to render it permanent, was ready to shed our blood rather than surrender the act. Their devotion to a measure, of which they are the authors, and to which they owe their present elevation, prepared us to expect that deep hostility to that act which gave their favorite a mortal blow, and opened the way for an united, and we trust, ere long, a successful resistance to power acquired by deception, and retained by delusion and corrup-

tion. The entire South may well apply to the Senator, as the author of the tariff of 1828, the reply which a distinguished Senator (Mr. Tazewell of Virginia) gave, after its passage, to one who now occupies a higher station than he then did, and who undertook to explain to him his vote on the occasion; "Sir, you have deceived me once—that was your fault; but if you deceive me again, the fault will be mine." Alas for Virginia! that once proud and patriotic State! She has dismissed her honest and enlightened son, who served her with so much fidelity, and has elevated to the highest office him who betrayed her and trampled her interest in the dust.

I know full well the attempts that will be made to misrepresent my position on this occasion, and to weaken me in the confidence of the public. I fear them not. I know well those whom I represent. They have too clear a conception of their true interest, and place too high an estimate on truth and honor, to withhold their confidence from him who fearlessly follows their dictates. They will scorn the miserable boon proffered by the Senator from New-York, and the hand that offers it, and will cling to the act which they so proudly wrung from this Government. Were I to listen to the voice of the Senator from New-York, they would hold me blind to their interests, and indifferent to their honor. I shall firmly maintain the position I have taken. I shall not assent to disturb the act of 1833, in the slightest degree, so long as the manufacturing interests shall adhere to its provisions, be the conduct of politicians what it may. Thus far they have firmly adhered. Not a murmur has been heard, or a petition offered, from that quarter against it, from its passage to the present day; while the memorials of the legislatures of the two great tariff States, Massachusetts and Pennsylvania, which pledge themselves to abide by the provisions of the act, give strong additional assurance that, if we do not disturb it on our part, they will not on theirs.

SPEECH

On the Bill authorizing the issue of Treasury Notes, delivered in the Senate, September 19th, 1837.

MR. PRESIDENT: An extraordinary course of events, with which all are too familiar to need recital, has separated, in fact, the Government and the banks. What relation shall they bear hereafter? Shall the banks again be used as fiscal agents of the Government? be the depositories of the public money? And, above all, shall their notes be considered and treated as money, in the receipts and expenditures of the Government? This is the great and leading question; one of the first magnitude, and full of consequences. I have given it my most anxious and deliberate attention; and have come to the conclusion that we have reached the period when the interests both of the Government and the banks forbid a reunion. I now propose to offer my reasons for this conclusion. I shall do it with that perfect frankness due to the country, and the position I occupy. All I ask is, that I may be heard with a candor and fairness corresponding to the sincerity with which I shall deliver my sentiments.

Those who support a reunion of the banks and the Government, have to overcome a preliminary difficulty. They are now separated, by operation of law, and cannot be united while the present state of things continues, without repealing the law which has disjoined them. I ask, who is willing to propose its repeal? Is there any one who, during the suspension of specie payments, would advocate their employment as the fiscal agents of the Government? who would make them the depositories of the public revenue, or who would receive and pay away their notes in the public dues?

If there be none, then it results that the separation must continue for the present, and that the reunion must be the work of time, and depending on the contingency of the resumption of specie payments.

But, suppose this difficulty to be removed, and that the banks were regularly redeeming their notes—from what party in this body can the proposition come, or by which can it be supported, for a reunion between them and the Government? Who, after what has happened, can advocate the reunion of the Government with the league of State banks? Can the opposition, who for years have been denouncing it as the most dangerous instrument of power—the most efficient means of corrupting and controlling the Government and country? Can they, after the exact fulfilment of all their predictions of disastrous consequences from the connection, now turn round and support that which they have so long and loudly condemned? We have heard much from the opposite side of untried experiments on the currency. I concur in the justice of the censure. Nothing can be more delicate than the currency. Nothing can require to be more delicately handled. It ought never to be tampered with, nor touched, until it becomes absolutely necessary. But if untried experiments justly deserve censure, what condemnation would a repetition of an experiment that has failed deserve? an experiment that has so signally failed, both in the opinion of supporters and opponents, as to call down the bitter denunciation of those who tried it? If to make the experiment was folly, the repetition would be madness. But if the opposition cannot support the measure, how can it be expected to receive support from the friends of the administration, in whose hands the experiment has so signally failed, as to call down from them execrations deep and loud?

If, Mr. President, there be any one point fully established by experience and reason, I hold it to be the utter incom-

petency of the State banks to furnish, of themselves, a sound and stable currency. They may succeed in prosperous times, but the first adverse current necessarily throws them into utter confusion. Nor has any device been found to give them the requisite strength and stability, but a great, central and controlling bank, instituted under the authority of this Government. I go further. If we must continue our connection with the banks—if we must receive and pay away their notes as money, we not only have the right to regulate and give uniformity and stability to them, but we are bound to do so, and to use the most efficient means for that purpose. The constitution makes it our duty to lay and collect the taxes and duties uniformly throughout the Union; to fulfil which, we are bound to give the highest possible equality of value, throughout every part of the country, to whatever medium it may be collected in; and if that be bank-notes, to adopt the most effective means of accomplishing it, which experience has shown to be a Bank of the United States. This has been long my opinion. I entertained it in 1816, and repeated it in my place here on the deposit question in 1834. The only alternative then is, disguise it as you may, between a disconnection and a Bank of the United States. This is the real issue to which all must come, and ought now to be openly and fairly met.

But there are difficulties in the way of a national bank, no less formidable than a reconnection with the State banks. It is utterly impracticable, at present, to establish one. There is reason to believe that a majority of the people of the United States are deliberately and unalterably opposed to it. At all events, there is a numerous, respectable, and powerful party (I refer to the old State Rights party), who are, and ever have been, from the beginning of the Government, opposed to the bank; and whose opinions, thus long and firmly entertained, ought at least to be so much respected as to forbid the creation of one, without an amendment

of the constitution. To this must be added the insuperable difficulty, that the Executive branch of the Government is openly opposed to it, and pledged to interpose his veto, on constitutional grounds, should a bill pass to incorporate one. For four years, at least, then, it will be impracticable to charter a bank. What must be done in the mean time? Shall the treasury be reorganized to perform the functions which have been recently discharged by the banks, or shall the State institutions be again employed until a bank can be created? In the one case, we shall have the so much vilified and denounced sub-treasury, as it is called; and in the other, difficulties insurmountable would grow up against the establishment of a bank. Let the State institutions be once reinstated, and reunited to the Government as its fiscal agents, and they will be found the first and most strenuous opponents of a national bank, by which they would be overshadowed and curtailed in their profits. I hold it certain that, in prosperous times, when the State banks are in full operation, it is impossible to establish a national bank. Its creation, then,—should the reunion with the State banks take place,—will be postponed until some disaster, similar to the present, shall again befall the country. But it requires little of the spirit of prophecy to see that such another disaster would be the death of the whole system. Already it has had two paralytic strokes—the third would prove fatal.

But, suppose these difficulties were overcome, I would still be opposed to the incorporation of a bank. So far from affording the relief which many anticipate, it would be the most disastrous measure that could be adopted. Great as is the calamity under which the country is suffering, it is nothing to what would follow the creation of such an institution, under existing circumstances. In order to compel the State institutions to pay specie, the bank must have a capital as great, or nearly as great, in proportion to the existing institutions, as the late bank had, when established, to those

of that day. This would give it an immense capital, not much less than one hundred millions of dollars, of which a large proportion, say twenty millions, must be specie. From what source is it to be derived? From the State banks? It would empty their vaults, and leave them in the most helpless condition. From abroad, and England in particular? It would reproduce that revulsive current, which has lately covered the country with desolation. The tide is still running to Europe, and if forced back by any artificial cause, before the foreign debt is paid, cannot but be followed by the most disastrous consequences.

But suppose this difficulty overcome, and the bank re-established, I ask what would be the effects under such circumstances? Where would it find room for business commensurate with its extended capital, without crushing the State institutions, enfeebled by the withdrawal of their means in order to create the instrument of their oppression? A few of the more vigorous might survive; but the far greater portion, with their debtors, creditors, and stockholders, would be involved in common ruin. The bank would, indeed, give a specie currency, not by enabling the existing institutions to resume, but by destroying them and taking their place.

Those who take a different view, and so fondly anticipate relief from a national bank, are deceived by a supposed analogy between the present situation of the country and that of 1816, when the late bank was chartered, after the war with Great Britain. I was an actor in that scene, and may be permitted to speak in relation to it with some little authority. Between the two periods there is little or no analogy. They stand almost in contrast. In 1816, the Government was a debtor to the banks—now it is a creditor: a difference of the greatest importance, as far as the present question is concerned. The banks had over-issued, it is true, but their over-issues were to the Government—a solvent and able debtor, whose credit, held by the banks in the shape of stock,

was at par. It was their excessive issues to the Government, on its stock, which mainly caused the suspension ; in proof of which, it is a remarkable fact, that the depreciation of bank paper under gold and silver was about equal to the proportion which the Government stock held by the banks bore to their issues. It was this excess that hung on the market, and depressed the value of their notes. The solution is easy. The banks took the Government stock payable in twelve years, and issued their notes for the same payable on demand, in violation of the plainest principles of banking. It followed, of course, that when their notes were presented for payment, they had nothing but Government stock to meet them. But its stock was at par, and all the banks had to do was to go into market with the stock they held and take up their notes ; and thus the excess, which hung upon the market, and depressed their value, would have been withdrawn from circulation, and the residue would have risen to par, or nearly par, with gold and silver, when specie payments might be easily resumed.

This they were unwilling to do. They were profiting every way—by drawing interest on the stock, by discounting on it as capital, and by its continued rise in the market. It became necessary to compel them to surrender these advantages. Two methods presented themselves—one a bankrupt law, and the other a national bank. I was opposed to the former then, as I am now. I regarded it as a harsh, unconstitutional measure—opposed to the rights of the States. If they have not surrendered the right to incorporate banks, as is conceded, its exercise cannot be controlled by the action of this Government, which has no power but what is expressly granted, and no authority to control the States in the exercise of their reserved powers. It remained to resort to a national bank as the means of compulsion. It proved effectual. Specie payments were restored ; but, even with this striking advantage, it was followed by great pressure in

1818, 1819, and 1820, as all who are old enough to remember that period must recollect. Such, in fact, must ever be the consequence of resumption, when forced under the most favorable circumstances; and such, accordingly, it proved even in England, with all her resources, and with all the caution she used in restoring a specie circulation, after the long suspension of 1797. What, then, would be its effects in the present condition of the country, when the Government is a creditor instead of a debtor; when there are so many newly-created banks without established credit; when the over-issues are so great; and when so large a portion of the debtors are not in a position to be coerced? Great as is the tide of disaster which is passing over the land, it would be as nothing to what would follow, were a national bank to be established as the means of coercing specie payments.

I am bound to speak without reserve on this important point. My opinion, then, is, that, if it should be determined to compel the restoration of specie payments by the agency of banks, there is but one way—but to that I have insuperable objections. I mean the adoption of the Pennsylvania Bank of the United States as the fiscal agent of the Government. It is already in operation, and sustained by great resources and powerful connections, both at home and abroad. Through its agency specie payments might undoubtedly be restored, and that with far less disaster than through a newly-created bank; but not without severe pressure. I cannot, however, vote for such a measure. I cannot agree to give a preference and such advantages to a bank of one of the members of this confederacy over those of others—a bank dependent upon the will of a State, and subject to its influence and control. I cannot consent to confer such favors on the stockholders, many of whom, if rumor is to be trusted, are foreign capitalists, and without claim on the bounty of the Government. But, if all these, and many other objec-

tions were overcome, there is still one which I cannot surmount.

There has been, as we all know, a conflict between one of the departments of the Government and that institution, in which, in my opinion, the department was the assailant; but I cannot consent, after what has occurred, to give to the bank a triumph over the Government, for such its adoption as the fiscal agent of the Government would necessarily be considered. It would degrade the Government in the eyes of our citizens and of the world, and go far to make that bank the Government itself.

But, if all these difficulties were overcome, there are others, to me, wholly insurmountable. I belong to the State Rights party, which, at all times, from the beginning of the Government to this day, has been opposed to such an institution, as unconstitutional, inexpedient, and dangerous. They have ever dreaded the union of the political and moneyed power, and the central action of the Government to which it so strongly tends; and at all times, have strenuously resisted their junction. Time and experience have confirmed the truth of their principles; and this, above all other periods, is the one at which it would be most dangerous to depart from them. Acting on them, I have never given my countenance or support to a national bank, but under a compulsion, which I felt to be imperious, and never without an open declaration of my opinion as unfavorable to a bank.

In supporting the bank of 1816, I openly declared that, as a question *de novo*, I would be decidedly against the bank, and would be the last to give it my support. I also stated that, in supporting the bank then, I yielded to the necessity of the case, growing out of the then existing and long established connection between the Government and the banking system. I took the ground, even at that early period, that so long as the connection existed—so long as the Government received and paid away bank-notes as money, they were

bound to regulate their value, and had no alternative but the establishment of a national bank.

I found the connection in existence and established before my time, and over it I could have no control. I yielded to the necessity in order to correct the disordered state of the currency, which had fallen exclusively under the control of the States. I yielded to what I could not reverse, just as any member of the Senate now would, who might believe that Louisiana was unconstitutionally admitted into the Union, but who would, nevertheless, feel compelled to vote to extend the laws to that State, as one of its members, on the ground that its admission was an act, whether constitutional or unconstitutional, which he could not reverse.

In 1834, I acted in conformity to the same principle, in proposing the renewal of the bank charter for a short period. My object, as expressly avowed, was to use the bank to break the connection between the Government and the banking system *gradually*, in order to avert the catastrophe which has now befallen us, and which I then clearly perceived. But the connection, which I believed to be irreversible in 1816, has now been broken by operation of law. It is now an open question. I feel myself free, for the first time, to choose my course on this important subject, and, in opposing a bank, I act in conformity to principles which I have entertained, ever since I have fully investigated the subject.

But my opposition to a reunion with the banks is not confined to objections limited to a national or State banks. It goes beyond, and comprehends others of a more general nature, relating to the currency, which to me are decisive. I am of the impression that the connection has a most pernicious influence over bank currency; that it tends to disturb that stability and uniformity of value, which is essential to a sound currency; and is among the leading causes of that tendency to expansion and contraction, which experience has shown is incident to bank-notes as a currency. They

are, in my opinion, at best, without the requisite qualities to constitute a currency, even when unconnected with the Government; and are doubly disqualified by reason of that connection, which subjects them to sudden expansions and contractions, and exposes them to fatal catastrophes, such as the present.

I will explain my views. A bank-note circulates, not merely on account of the credit of the institution by which it is issued, but because Government receives it, like gold and silver, in all its dues, and thus adds its own credit to that of the bank. It, in fact, virtually indorses on the note of every specie-paying bank, "receivable by Government in its dues." To understand how greatly this adds to the circulation of bank-notes, we must remember that Government is the great money dealer of the country, and the holder of immense public domains; and that it has the power of creating a demand against every citizen, as high as it pleases, in the shape of a tax, or duty, which can be discharged, as the law now is, only by bank-notes or gold and silver. This, of course, cannot but add greatly to the credit of bank-notes, and contribute much to their circulation, though it may be difficult to determine with any precision to what extent. It certainly is very great. For why is it, that an individual of the first credit, whose responsibility is so indisputable, that his friend of equal credit indorses his note for nothing, should put his with his friend's,—being their joint credit,—into a bank, and take out its notes, which are, in fact, but the credit of the bank itself, and pay six per cent. discount between the credit of himself and his friend and that of the bank? The known and established credit of the bank may be one reason, but there is another, and powerful one: the Government treats the credit of the bank as gold and silver, in all its transactions, and does not treat the credit of individuals in the same manner. To test the truth, let us reverse the case, and suppose the Government to treat the joint credit of the indivi-

duals as money, and not the credit of the bank; and is it not obvious, that, instead of borrowing from the bank, and paying six per cent. discount, the bank would be glad to borrow from them on the same terms. From this we may perceive the powerful influence, which bank circulation derives from the connection with the credit of the Government.

It follows, as a necessary consequence, that, to the extent of this influence, the issues of the banks expand and contract with the expansion and contraction of the fiscal action of the Government; with the increase of its duties, taxes, income, and expenditure; with the deposits in its vaults acting as additional capital, and the amount of bank-notes withdrawn, in consequence, from circulation; all of which must directly affect the amount of their business and issues; and bank currency must of course partake of all those vibrations to which the fiscal action of the Government is necessarily exposed, and, when great and sudden, must expose the system to catastrophes such as we now witness. In fact, a more suitable instance cannot be selected to illustrate the truth of what I assert, than the present; as I shall proceed to show.

To understand the causes which have led to the present state of things, we must go back to the year 1824, when the tariff system triumphed in Congress—a system which imposed duties, not for the purpose of revenue, but to encourage the industry of one portion of the Union at the expense of the other. This was followed up by the act of 1828, which consummated the system. It raised the duties so extravagantly, that, out of an annual importation of sixty-four millions, thirty-two passed into the treasury; that is, Government took one-half for the liberty of introducing the other. Countless millions were thus poured into the treasury, beyond the wants of the Government,—which became in time the source of the most extravagant expenditures. This vast increase of receipts and expenditures was followed by a

corresponding expansion of the business of the banks. They had to discount and issue freely, to enable the merchants to pay their duty bonds, as well as to meet the vastly increased expenditures of the Government. Another effect followed the act of 1828, which gave a still further expansion to the action of the banks, and which is worthy of notice. It turned the exchange with England in favor of this country. That portion of the proceeds of our exports, which, in consequence of the high duties, could no longer return with profit, in the usual articles which we had been in the habit of receiving principally from that country in exchange for our exports, returned in gold and silver, in order to purchase similar articles at the North. This was the first cause which gave that western direction to the precious metals, the revulsive return of which has been followed by so many disasters. With the exchange in our favor, and consequently no demand for gold and silver abroad, and the vast demand for money attendant on an increase of the revenue, almost every restraint was removed on the discounts and issues of the banks, especially in the northern section of the Union, where these causes principally operated. With their increase, wages and prices of every description rose in proportion, followed of course by an increasing demand on the banks for further issues. This is the true cause of that expansion of the currency, which began about the commencement of the late administration ; but which was erroneously charged by it to the Bank of the United States. It rose out of the action of the Government.

The bank, in increasing its business, acted in obedience to the condition of things at the time, and in conformity with the banks generally in the same section. It was at this juncture that the late administration came into power—a juncture remarkable in many respects, but more especially in relation to the question of the currency. Most of the causes which have since terminated in the complete prostra-

tion of the banks and the commercial prosperity of the country, were in full activity.

Another cause, about that time (I do not remember the precise date), began to produce powerful effects. I refer to the last renewal of the charter of the Bank of England. It was renewed for ten years, and, among other provisions, contained one making the notes of that bank a legal tender in all cases except between the bank and its creditors. The effect was to dispense still further with the use of the precious metals in that great commercial country, which, of course, caused them to flow out in every direction throughout the various channels of its commerce. A large portion took their direction hitherward, and served still further to increase the current, which, from causes already enumerated, was flowing so strongly in this direction; and which, still further increased the force of the returning current, on the turn of the tide.

The administration did not comprehend the difficulties and dangers which surrounded it. Instead of perceiving the true reason of the expansion of the currency, and adopting the measures necessary to arrest it, they attributed it to the Bank of the United States, and made it the cause or pretext for waging war on that institution. Among the first acts of hostility, the deposits were removed, and transferred to selected State banks,—the effect of which, instead of resisting the tendency to expansion, was to throw off the only restraint that held the banking institutions of the country in check; and of course gave to the swelling tide, which was destined to desolate the country, a powerful impulse. Banks sprung up in every direction; discounts and issues increased almost without limitation; and an immense surplus revenue accumulated in the deposit banks, which, after the payment of the public debt, the most extravagant appropriations could not exhaust, and which acted as additional banking capital. The value of money daily depreciated;

prices rose ; and then commenced those unbounded speculations, particularly in public lands, which were transferred, by millions of acres, from the public to the speculators for worthless bank-notes, till at length the swelling flood was checked, and the revulsive current burst its barriers, and overspread and desolated the land.

The first check came from the Bank of England, which, alarmed at the loss of its precious metals, refused to discount American bills, in order to prevent a further decrease of its cash means, and cause a return of those which it had lost. Then followed the execution of the deposit act, which, instead of a remedial measure, as it might have been made if properly executed, was made the instrument of weakening the banks at the point of pressure, especially in the great metropolis of the Union, where so large a portion of the surplus revenue was accumulated. And, finally, the treasury order, which still further weakened those banks, by withdrawing their cash means to be invested in public lands in the West.

It is often easy to prevent what cannot be remedied, which the present instance strongly illustrates. If the administration had formed a true conception of the danger in time, what has since happened might have then been easily averted. The near approach of the expiration of the charter of the United States Bank would have afforded ample means of staying the desolation, if it had been timely and properly used. I saw it then, and proposed to renew the charter, for a limited period, with such modifications as would have effectually resisted the increasing expansion of the currency ; and, at the same time, gradually and finally, wear out the connection between the bank and the Government :—to use the expression I then used, "to unbank the banks ;" to let down the system easily, and so to effect the separation between the bank and the Government as to avoid the possibility of that shock which I then saw was inevitable without

some such remedy. The moment was eminently propitious. The precious metals were flowing in on us from every quarter, and the vigorous measures I proposed to adopt in the renewal of the charter, would have effectually arrested the increase of banks and checked the excess of their discounts and issues; so that the accumulating mass of gold and silver, instead of being converted into bank capital, and swelling the tide of paper circulation, would have been substituted in the place of bank-notes, as a permanent and wholesome addition to the currency of the country.

But neither the administration nor the opposition sustained me, and the precious opportunity passed unseized. I then clearly saw the coming calamity was inevitable, and it has neither arrived sooner, nor is it greater, than what I expected.

Such are the leading causes which have produced the present disordered state of the currency. There are others of a minor character connected with the general condition of the commercial world, and the operation of the Executive branch of the Government, but which, of themselves, would have produced but little effect. To repeat the causes in a few words: the vast increase which the tariffs of 1824 and 1828 gave to the fiscal action of the Government, combined with the causes I have enumerated, gave the first impulse to the expansion of the currency. These, in turn, gave that extraordinary impulse to overtrading and speculation (they are effects and not causes) which has finally terminated in the present calamity. It may thus be ultimately traced to the connection between the banks and the Government; and it is not a little remarkable that the suspension of specie payments in 1816, in this country, and that of 1797, in Great Britain, were produced by like causes.

There is another reason against the union of the Government and the banks, intimately connected with that under consideration, which I shall next proceed to state. It gives

a preference to one portion of citizens over another, that is neither fair, equal, nor consistent with the spirit of our institutions.

That the connection between the banks and the Government, the receiving and paying away their notes as cash, and the use of the public money from the time of the collection to the disbursement, is the source of immense profit to the banks, cannot be questioned. It is impossible, as I have said, to ascertain with any precision to what extent their issues and circulation depend upon it, but it certainly constitutes a large proportion. A single illustration may throw light upon this point. Suppose the Government were to take up the veriest beggar in the street, and enter into a contract with him, that nothing should be received in payment of its dues or for the sales of its public lands in future, except gold and silver and his promissory notes, and that he should have the use of the public funds from the time of their collection until their disbursement. Can any one estimate the wealth which such a contract would confer? His notes would circulate far and wide over the whole extent of the Union; would be the medium through which the exchanges of the country would be performed; and his ample and extended credit would give him a control over all the banking institutions and moneyed transactions of the community. The possession of a hundred millions would not give a control more effectual. I ask, would it be fair, would it be equal, would it be consistent with the spirit of our institutions, to confer such advantages on any individual? And if not on one, would it be if conferred on any number? And if not, why should it be conferred on any corporate body of individuals? How can they possibly be entitled to benefits so vast, which all must acknowledge could not be justly conferred on any number of unincorporated individuals?

I state not these views with any intention of bringing down odium on banking institutions. I have no unkind

feeling towards them whatever. I do not hold them responsible for the present state of things. It has grown up gradually, without either the banks or the community perceiving the consequences which have followed the connection between them. My object is to state facts as they exist, that the truth may be seen in time by all. This is an age of investigation. The public mind is broadly awake upon this all-important subject. It affects the interests and condition of the whole community, and will be investigated to the bottom. Nothing will be left unexplored, and it is for the interest both of the banks and of the community, that the evils incident to the connection should be fully understood in time, and the connection be gradually terminated, before such convulsions shall follow as to sweep away the whole system, with its advantages as well as its disadvantages.

But it is not only between citizen and citizen that the connection is unfair and unequal. It is as much so between one portion of the country and another. The connection of the Government with the banks, whether it be with a combination of State banks or with a national institution, will necessarily centralize the action of the system at the principal point of collection and disbursement, and at which the mother bank, or the head of the league of State banks, must be located. From that point the whole system, through the connection with the Government, will be enabled to control the exchanges both at home and abroad; and, with it, the commerce, foreign and domestic, including exports and imports.

After what has been said, these points will require but little illustration. A single one will be sufficient; and I will take, as in the former instance, that of an individual.

Suppose, then, the Government, at the commencement of its operation, had selected an individual merchant, at any one point in the Union, say New-York, and had connected itself with him, as it has with the banks, by giving him the

use of the public funds from the time of their collection until their disbursement, and of receiving and paying away, in all its transactions, nothing but his promissory notes, except gold and silver. Is it not manifest that a decisive control would be given to the port where he resided, over all the others; that his promissory notes would circulate every where, through all the ramifications of commerce; that they would regulate exchanges; that they would be the medium of paying duty bonds; and that they would attract the imports and exports of the country to the port where such extraordinary facilities were afforded? If such would clearly be the effects in the case supposed, it is equally clear that the concentration of the currency at the same point, through the connection of the Government with the banks, would have equal if not greater effects; and that, whether one general bank should be used as an agent, or a league of banks, which should have their centre there. To other ports of the country, the trifling advantages which a branch or deposit bank would give, in the safe-keeping of the public revenue, would be as nothing, compared to the losses caused to their commerce by centralizing the moneyed action of the country at a remote point. Other gentlemen can speak for their own sections; I can speak with confidence of that which I have the honor in part to represent. The entire staple States, I feel a deep conviction, banks and all, would, in the end, be great gainers by the disseverance, whatever might be the temporary inconvenience. If there be any other section in which the effects will be different, it would be but to confirm the views which I have presented.

As connected with this, there is a point well deserving consideration. The union between Bank and Government is not only a main source of that dangerous expansion and contraction in the banking system, which I have already illustrated, but is also one of the principal causes of that powerful and almost irresistible tendency to the increase of banks,

which even its friends see and deplore. I dwelt on this point on a former occasion (on Mr. Webster's motion to renew the bank charter, in 1833), and I will not repeat what I then said. But, in addition to the causes then enumerated, there are many others very powerful, and, among others, the one under consideration. They all may be summed up in one general cause. We have made banking too profitable—far, very far, too profitable; and, I may add, influential. One of the most ample sources of this profit and influence may be traced, as I have shown, to the connection with the Government; and is, of course, among the prominent causes of the strong and incessant tendency of the system to increase, which even its friends see must finally overwhelm either the banks or the institutions of the country. With a view to check its growth, they have proposed to limit the number of banks and the amount of banking capital, by an amendment of the constitution; but it is obvious that the effects of such amendment, if it were practicable, would but increase the profits and influence of bank capital; and that, finally, it would justly produce such indignation on the part of the rest of the community against such unequal advantages, that, in the end, after a long and violent struggle, the overthrow of the entire system would follow. To obviate this difficulty, it has been proposed to add a limitation upon the amount of their business; the effects of which would be the accommodation of favorites to the exclusion of the rest of the community, which would be no less fatal to the system. There can be, in fact, but one safe and consistent remedy; the rendering banking, as a business, less profitable and influential; and the first and decisive step towards this is, a disseverance between the banks and the Government. To this may be added, some effectual limitation on the denomination of the notes to be issued, which would operate in a similar manner.

I pass over other important objections to the connection;

the corrupting influence and the spirit of speculation which it spreads far and wide over the land. Who has not seen and deplored the vast and corrupting influence brought to bear upon the legislatures to obtain charters, and the means necessary to participate in the profits of the institutions. This gives a control to the Government, which grants such favors, of a most extensive and pernicious character; all of which must continue to spread and increase, if the connection should continue, until the whole community must become one contaminated and corrupted mass.

There is another, and a final reason, which I shall assign against the reunion with the banks. We have reached a new era with regard to these institutions. He who would judge of the future by the past, in reference to them, will be wholly mistaken. The year 1833 marks the commencement of this era. That extraordinary man who had the power of imprinting his own feelings on the community, then commenced his hostile attacks, which have left such effects behind, that the war then commenced against the banks, I clearly see, will not terminate, unless there be a separation between them and the Government—until one or the other triumphs—till the Government becomes the bank, or the bank the Government. In resisting their union I act as the friend of both. I have, as I have said, no unkind feelings towards the banks. I am neither a bank man, nor an anti-bank man. I have had little connection with them. Many of my best friends, for whom I have the highest esteem, have a deep interest in their prosperity, and as far as friendship or personal attachment extends, my inclination would be strongly in their favor. But I stand up here as the representative of no particular interest. I look to the whole, and to the future as well as the present; and I shall steadily pursue that course which, under the most enlarged view, I believe to be my duty. In 1834, I saw the present crisis. I in vain raised a warning voice, and endeavored to avert it. I

now see, with equal certainty, one far more portentous. If this struggle is to go on—if the banks will insist upon a reunion with the Government, against the sense of a large and influential portion of the community—and, above all, if they should succeed in effecting it, a reflux flood will inevitably sweep away the whole system. A deep popular excitement is never without some reason, and ought ever to be treated with respect; and it is the part of wisdom to look timely into the cause, and correct it before the excitement shall become so great as to demolish the object, with all its good and evil, against which it is directed.

The only safe course for both Government and banks, is to remain as they are, separated—each in the use of its own credit and in the management of its own affairs. The less the control and influence of the one over the other, the better. Confined to their legitimate sphere—that of affording temporary credit to commercial and business men, bank-notes would furnish a safe and convenient circulation in the range of commerce and business, within which the banks may be respectively situated, exempt almost entirely from those fluctuations and convulsions to which they are now so exposed; or if they should occasionally be subject to them, the evil would be local and temporary, leaving undisturbed the action of the Government, and the general currency of the country, on the stability of which the prosperity and safety of the community so much depend.

I have now stated my objections to the reunion of the Government and the banks. If they are well founded; if the State banks are of themselves incompetent agents; if a Bank of the United States be impracticable, or if practicable, would, at this time, be the destruction of a large portion of the existing banks, and of renewed and severe pecuniary distress; if it would be against the settled conviction of an old and powerful party, whose opposition time cannot abate; if the union of Government and banks adds to the unfitness of

their notes for circulation, and is unjust and unequal between citizen and citizen, and one portion of the Union and another; and, finally, if it would excite an implacable and obstinate war, which could only terminate in the overthrow of the banking system, or the institutions of the country, it then remains that the only alternative would be permanently to separate the two, and to reorganize the treasury so as to enable it to perform those duties which have heretofore been performed by the banks as its fiscal agents. This proposed reorganization has been called a sub-treasury—an unfortunate word, calculated to mislead and conjure up difficulties and dangers that do not in reality exist. So far from an experiment, or some new device, it is only returning to the old mode of collecting and disbursing public money, which, for thousands of years, has been the practice of all enlightened people till within the last century.

In what manner it is intended to reorganize the treasury by the bill reported, I do not know. I have been too much engaged to read it; and I can only say, that for one, I shall assent to no arrangement which provides for a treasury bank, or that can be perverted into one. If there can be any scheme more fatal than a reunion with the banks at this time, it would be such a project. Nor will I give my assent to any arrangement which shall add the least unnecessary patronage. I am the sworn foe to patronage, and have done as much, and suffered as much, in resisting it as any one. Too many years have passed over me to change, at this late day, my course or principles. But I will say, that it is impossible so to organize the treasury for the performance of its own functions, as to give to the Executive a tenth part of the patronage it will lose by the proposed separation, which, when the bill for the reorganization comes up, I may have an opportunity to show. I have ventured this assertion after much reflection, and with entire confidence in its correctness

But something more must be done besides the reorganiza-

tion of the treasury. Under the resolution of 1816, bank-notes would again be received in the dues of the Government, if the banks should resume specie payments. The legal, as well as the actual connection, must be severed. But I am opposed to all harsh or precipitate measures. No great process can be effected without a shock, but through the agency of time. I accordingly propose to allow time for the final separation; and with this view, I have drawn up an amendment to this bill, which I shall offer at the proper time, to modify the resolution of 1816, by providing that after the first of January next, three-fourths of all sums due to the Government may be received in the notes of specie-paying banks; and after the first of January next following, one-half; and after the first of January next subsequent, one-fourth; and after the first of January thereafter, nothing but the legal currency of the United States, or bills, notes, or paper issued under their authority, and which may by law be authorized to be received in their dues. If the time is not thought to be ample, I am perfectly disposed to extend it. The period is of little importance in my eyes, so that the object be effected.

In addition to this, it seems to me that some measure of a remedial character, connected with the currency, ought to be adopted, to ease off the pressure while the process is going through. It is desirable that the Government should make as few and small demands on the specie market as possible during the time, so as to throw no impediment in the way of the resumption of specie payments. With this view, I am of the impression that the sum necessary for the present wants of the treasury should be raised by a paper, which should, at the same time, have the requisite qualities to enable it to perform the functions of a paper circulation. Under this impression, I object to the interest to be allowed on the treasury notes which this bill authorizes to be issued, on the very opposite ground that the Senator from Massachu-

setts bestows his approbation. He approves of interest, because it would throw them out of circulation into the hands of capitalists, as a convenient and safe investment; and I disapprove, because it will have that effect. I am disposed to ease off the process; he, I would suppose, is very little solicitous on that point.

But I go further. I am of the impression, to make this great measure successful and secure it against reaction, some stable and safe medium of circulation, to take the place of bank-notes in the fiscal operations of the Government, ought to be issued. I intend to propose nothing. It would be impossible, with so great a weight of opposition, to pass any measure without the entire support of the administration; and, if it were possible, it ought not to be attempted where so much must depend on the mode of execution. The best measure that could be devised might fail, and impose a heavy responsibility on its author, unless it met with the hearty approbation of those who are to execute it. I then intend merely to throw out suggestions, in order to excite the reflection of others on a subject so delicate, and of so much importance—acting on the principle that it is the duty of all in so great a juncture to present their views without reserve.

It is, then, my impression, that, in the present condition of the world, a paper currency, in some form, if not necessary, is almost indispensable in financial and commercial operations of civilized and extensive communities. In many respects, it has a vast superiority over a metallic currency, especially in great and extended transactions, by its greater cheapness, lightness, and the facility of determining the amount. The great desideratum is, to ascertain what description of paper has the requisite qualities of being free from fluctuation in value, and liability to abuse, in the greatest perfection. I have shown, I trust, that the bank-notes do not possess these requisites in a degree sufficiently high for this purpose. I go further. It appears to me, after bestow-

ing the best reflection I can give the subject, that no convertible paper—that is, no paper whose credit rests upon a *promise to pay*, is suitable for currency. It is the form of credit proper in private transactions between man and man, but not for a standard of value, to perform exchanges generally, which constitute the appropriate functions of money or currency. The measures of safety in the two cases are wholly different. A promissory note, or convertible paper, is considered safe so long as the drawer has ample means to meet his engagements; and in passing from hand to hand, regard is had only to his ability and willingness to pay. Very different is the case in currency. The aggregate value of the currency of a country necessarily bears a small proportion to the aggregate value of its property. This proportion is not well ascertained, and is probably subject to considerable variation in different countries, and at different periods in the same country. It may be assumed conjecturally, in order to illustrate what I say, at one to thirty. Assuming this proportion to be correct, which probably is not very far from the truth, it follows that, in a sound condition of the country where the currency is metallic, the aggregate value of the coin is not more than one in thirty of the aggregate value of the property. It also follows that an increase in the amount of the currency, by the addition of a paper circulation of no intrinsic value, but increases the nominal value of the aggregate property of the country in the same proportion that the increase bears to the whole amount of currency; so that, if the currency be doubled, the nominal value of the property will also be doubled. Hence it is, that when the paper currency of a country is in the shape of promissory notes, there is a constant tendency to excess. We look for their safety to the ability of the drawer—and so long as his means are ample to meet his engagements, there is no distrust—without reflecting that, considered as currency, it cannot safely exceed one in thirty in value compared to property; and the delusion is

further increased by the constant increase in value of property, with the increase of the notes in circulation, so as to maintain the same relative proportion. It follows that a Government may safely contract a debt, many times the amount of its aggregate circulation; but, if it were to attempt to put its promissory notes in circulation in amount equal to its debts, an explosion in the currency would be inevitable. And hence, with other causes, the constant tendency to an excessive issue of bank-notes in prosperous times, when so large a portion of the community are anxious to obtain accommodation, and who are disappointed when negotiable paper is refused by the banks—not reflecting that it would not be safe to discount beyond the limits I have assigned for a safe circulation, however good the paper offered.

On what, then, ought a paper currency to rest? I would say, on demand and supply simply, which regulates the value of every thing else—the constant demand which the Government has on the community for its necessary supplies. A medium, resting on this demand, which simply obligates the Government to receive it in all of its dues, to the exclusion of every thing else, except gold and silver—and which shall be optional with those who have demands on Government to receive or not, would, it seems to me, be as stable in its value as those metals themselves, and be as little liable to abuse as the power of coining. It would contain within itself a self-regulating power. It could only be issued to those who had claims on the Government, and to those only with their consent, and, of course, only at or above par with gold and silver, which would be its habitual state; for, so far as the Government was concerned, it would be equal, in every respect, to gold and silver, and superior in many, particularly in regulating the distant exchanges of the country. Should, however, a demand for gold and silver from abroad, or other accidental causes, depress it, temporarily, as compared with

the precious metals, it would then return to the treasury, and as it could not be paid out during such depression, its gradual diminution in the market would soon restore it to an equality, when it would again flow out into the general circulation. Thus there would be a constant alternate flux and reflux into and from the treasury, between it and the precious metals; but if at any time a permanent depression in its value be possible from any cause, the only effect would be to operate as a reduction of taxes on the community, and the only sufferer would be the Government itself. Against this, its own interest would be a sufficient guaranty.

Nothing but experience can determine what amount and of what denominations might be safely issued; but it may be safely assumed that the country would absorb an amount greatly exceeding its annual income. Much of its exchanges, which amount to a vast sum, as well as its banking business, would revolve about it, and many millions would thus be kept in circulation beyond the demands of the Government. It may throw some light on this subject to state that North Carolina, just after the Revolution, issued a large amount of paper, which was made receivable in dues to her. It was also made a legal tender, but which, of course, was not obligatory after the adoption of the federal constitution. A large amount, say between four and five hundred thousand dollars, remained in circulation after that period, and continued to circulate for more than twenty years at par with gold and silver during the whole time, with no other advantage than being received in the revenue of the State, which was much less than $100,000 per annum. I speak on the information of citizens of that State, on whom I can rely.

But, whatever may be the amount that can be circulated, I hold it clear that, to that amount, it would be as stable in value as gold and silver itself, provided the Government be bound to receive it exclusively with those metals in all its dues, and that it be left perfectly optional with those who

have claims on the Government to receive it or not. It will also be a necessary condition, that notes of too small a denomination should not be issued, so that the treasury shall have ample means to meet all demands, either in gold or silver, or the bills of the Government, at the option of those who have claims on it. With these conditions no further variation could take place between it and gold and silver, than that which would be caused by the action of commerce. An unusual demand from abroad for the metals, would, of course, raise them a little in their relative value, and depress, relatively, the Government bills in the same proportion, which would cause them to flow into the treasury, and gold and silver to flow out; while, on the contrary, an increased demand for the bills in the domestic exchange would have the reverse effect, causing, as I have stated, an alternate flux and reflux into the treasury, between the two, which would at all times keep their relative values either at or near par.

No one can doubt that the fact of the Government receiving and paying away bank-notes in all its fiscal transactions, is one of the principal sources of their great circulation; and it was mainly on that account that the notes of the late Bank of the United States so freely circulated all over the Union. I would ask, then, why should the Government mingle its credit with that of private corporations? No one can doubt but that the Government credit is better than that of any bank—more stable and more safe. Why then should it mix it up with the less perfect credit of those institutions? Why not use its own credit to the amount of its own transactions? Why should it not be safe in its own hands, while it shall be considered safe in the hands of eight hundred private institutions scattered all over the country, and which have no other object but their own private profits, to increase which, they almost constantly extend their business to the most dangerous extremes? And why should the community be compelled to give six per cent. discount for the Government

credit blended with that of the banks, when the superior credit of the Government could be furnished separately, without discount, to the mutual advantage of the Government and the community? Why, let me ask, should the Government be exposed to such difficulties as the present, by mingling its credit with the banks, when it could be exempt from all such by using by itself its own safer credit? It is time the community, which has so deep an interest in a sound and cheap currency, and the equality of the laws between one portion of the citizens and the country and another, should reflect seriously on these things; not for the purpose of oppressing any interest, but to correct gradually disorders of a dangerous character, which have insensibly, in the long course of years, without being perceived by any one, crept into the State.

The question is not between credit and no credit, as some would have us believe, but in what form credit can best perform the functions of a sound and safe currency. On this important point, I have freely thrown out my ideas, leaving it to this body and the public to determine what they are worth. Believing that there might be a sound and safe paper currency founded on the credit of Government exclusively, I was desirous that those who are responsible and have the power, should have availed themselves of the opportunity of the temporary deficit of the treasury, and the postponement of the fourth instalment intended to be deposited with the States, to use them as the means of affording a circulation for the present relief of the country and the banks, during the process of separating them from Government; and, if experience should justify it, of furnishing a permanent and safe circulation, which would greatly facilitate the operations of the treasury, and afford incidentally much facility to the commercial operations of the country. But a different direction was given, and when the alternative was presented of a loan or the withholding the fourth instalment from the States,

I did not hesitate to give a decided vote for withholding it. My aversion to a public debt is deep and durable. It is, in my opinion, pernicious, and is little short of a fraud on the public. I saw too much of it during the late war, not to understand something of the nature and character of public loans. Never was a country more egregiously imposed on.

Having now presented my views of the course and the measures which the permanent policy of the country, looking to its liberty and lasting prosperity, requires, I come finally to the question of relief. I have placed this last, not that I am devoid of sympathy for the country in the pecuniary distress which now pervades it. No one struggled earlier or longer to prevent it than myself; nor can any one more sensibly feel the wide-spread blight, which has suddenly blasted the hopes of so many, and precipitated thousands from affluence to poverty. The desolation has fallen mainly on the mercantile class—a class which I have ever held in the highest estimation. No country ever had a superior body of merchants; of higher honor, of more daring enterprise, or of greater skill and energy. The ruin of such a class is a heavy calamity; and I am solicitous, among other things, to give such stability to our currency as to prevent the recurrence of a similar calamity hereafter. But it was first necessary, in the order of things, that we should determine what sound policy, looking to the future, demands to be done at the present juncture, before we consider the question of relief; which, urgent as it may be, is subordinate and must yield to the former. The patient lies under a dangerous disease, with a burning thirst and other symptoms, which distress him more than the vital organs which are attacked. The skilful physician first makes himself master of the nature of the disease, and then determines on the treatment necessary for the restoration of health. This done, he next alleviates the distressing symptoms, as far as is consistent with the restoration of health, and no further. Such shall be my course. As far as I pos-

sibly can, consistently with the views I entertain, and what I believe necessary to restore the body politic to health, I will do every thing in my power to mitigate the present distress. Further I cannot go.

After the best reflection, I am of the opinion that the Government can do but little in the way of relief, and that it is a case which must be mainly left to the constitution of the patient, who, thank God, is young, vigorous, and robust, with a constitution sufficient to sustain and overcome the severest attack. I dread the doctor and his drugs much more than the disease itself. The distress of the country consists in its indebtedness, and can only be relieved by payment of its debts. To effect this, industry, frugality, economy, and *time*, are necessary. I rely more on the growing crop—on the cotton, rice, and tobacco of the South—than on all the projects or devices of politicians. I am utterly opposed to all coercion by this Government. But Government may do something to relieve the distress. It is out of debt, and is one of the principal creditors both of the banks and of the merchants, and should set an example of liberal indulgence. This I am willing to give freely. I am also prepared to vote freely the use of Government credit, in some safe form, to supply any deficit in the circulation during the process of recovery, as far as its financial wants will permit. I see not what more can be safely done. But my vision may be obtuse upon this subject. Those who differ from me, and who profess so much sympathy for the public, seem to think that much relief may be afforded. I hope they will present their views. I am anxious to hear their prescriptions, and I assure them, that whatever they may propose, if it shall promise relief, and be not inconsistent with the course which I deem absolutely necessary for the restoration of the country to perfect health, shall cheerfully receive my support. They may be more keen-sighted than I am, as to the best means of relief, but cannot have a stronger disposition to afford it.

We, have Mr. President, arrived at a remarkable era in our political history. The days of legislative and executive encroachments, of tariffs and surpluses, of bank and public debt, and extravagant expenditure, are past for the present. The Government stands in a position disentangled from the past, and freer to choose its future course than it ever has been since its commencement. We are about to take a fresh start. I move off under the State Rights banner, and go in the direction in which I have been so long moving. I seize the opportunity thoroughly to reform the Government; to bring it back to its original principles; to retrench and economize, and rigidly to enforce accountability. I shall oppose, strenuously, all attempts to originate a new debt; to create a national bank; to reunite the political and money powers (more dangerous than Church and State) in any form or shape; to prevent the disturbances of the compromise, which is gradually removing the last vestige of the tariff system; and mainly, I shall use my best efforts to give an ascendency to the great conservative principle of State sovereignty, over the dangerous and despotic doctrine of consolidation. I rejoice to think that the Executive Department of the Government is now so reduced in power and means, that it can no longer rely on its influence and patronage to secure a majority. Henceforward it can have no hope of supporting itself but on wisdom, moderation, patriotism, and devoted attachment to the Constitution, which I trust will make it, in its own defence, an ally in effecting the reform which I deem indispensable to the salvation of the country and its institutions.

I look, Sir, with pride to the wise and noble bearing of the little State Rights party, of which it is my pride to be a member, throughout the eventful period through which the country has passed since 1824. Experience already bears testimony to their patriotism, firmness, and sagacity, and history will do them justice. In that year, as I have stated, the tariff

system triumphed in the councils of the nation. We saw its disastrous political bearings—foresaw its surpluses and the extravagances to which it would lead. We rallied on the election of the late President to arrest it through the influence of the Executive Department of the Government. In this we failed. We then fell back on the rights and sovereignty of the States, and by the action of a small but gallant State, and through the potency of its interposition, we brought the system to the ground, sustained, as it was, by the opposition and the administration, and by the whole power and patronage of the Government. The pernicious overflow of the treasury, of which it was the parent, could not be arrested at once. The surplus was seized on by the Executive, and, by its control over the banks, became the fruitful source of Executive influence and encroachment. Without hesitation, we joined our old opponents on the tariff question, but under our own flag and without merging in their ranks, and made a gallant and successful war against the encroachments of the Executive.

That terminated, we part with our late allies in peace, and move forward—lag or onward who may—to secure the fruits of our long but successful struggle, under the old republican flag of 1798, which, though tattered and torn, has never yet been lowered, and, with the blessing of God, never shall be with my consent.

REMARKS

On the Motion of Mr. King of Georgia, to postpone the Bill, "imposing additional duties, as depositories in certain cases, on public officers," made in the Senate, September 23d, 1837.

MR. CALHOUN rose and said: He greatly regretted that the Senator from Georgia (Mr King) had thought proper to make a motion to postpone this bill. Its effect, if successful, would be highly injurious to the country generally, and especially to the South. It was conceded that there was a vast amount of capital locked up, waiting the decision of Congress on this highly important subject;—not less, probably, than from sixty to one hundred millions—which would flow into the business channels of the country as soon as the decision was made. This, he would remind the Senator, was the commencement of the business season for the great staples of the South. The cotton and rice would soon be prepared for market, and the tobacco would follow them. The entire machine of commerce; by which these great products were to be exchanged with the world, is deranged—he might say, broken, and would not be reconstructed, until it is ascertained what was to be done here. If the question is postponed till the regular session, there will be no final action till the spring; during all of which time, comprehending the almost entire business season, things would remain in their present uncertain and deranged condition. The consequence would be, a very heavy loss to the planting interests of the South,—not to mention other portions,—a loss, he would say, of many millions to the planters alone,—which would be a vast detriment to that great interest, embarrassed, as it now is, by heavy debts. After full reflection,

he did not think the loss, on the coming crop of cotton alone, from delay of action here, would be less than one or two cents a pound,—more than a million and a half on the whole crop.

But there was another reason, to his mind still more powerful, against the postponement. We are on the eve of a great revolution in regard to the currency. The first step in this revolution is, the separation of the Government and the banks; which, he sincerely believed, the good of both required. This, once effected, and each left to move in its own proper sphere, unembarrassed by the other, the change in the credit system, which he held to be inevitable, would, in all probability, be gradual, and without shock or injury to any of the great interests of the community. But, if the question of separation be left open,—if it is to run into the politics of the country, and be made an engine to act on the Presidential Election, there is no answering for the consequences. A direct issue will be made; and, when passions were roused, there would ensue a conflict between the Government and the banks which may become violent and convulsive, and shake our system to the centre. For these reasons, he deemed it highly desirable on all sides, that the motion to postpone should not succeed.

The Senator made a remark which had a personal bearing, which he (Mr. C.) could not pass unnoticed. He expressed great abhorrence at the declaration that he (Mr. C.) would not (if there were not other and powerful reasons against it), agree to employ Mr. Biddle's Bank as our fiscal agent,—because it would give that institution a triumph over the Government—and go far to make it the Government itself.

There was, said Mr. C., no disputing about taste. We were so dissimilarly constituted, that what was sweet to one was sometimes bitter to another. But he was inclined to think that, in this case, the difference did not result so much

from any organic dissimilarity between him and the Senator, as from the different aspect in which they regard the controversy between General Jackson and the Bank. The Senator regards it, as is manifest from the whole tenor of his remarks, as a mere personal affair between General Jackson and the President of the Bank; or, at best, between the Executive branch of the Government and the Bank; in which, let either side prevail, would be but the triumph of one individual over another—or, of the Bank over the Executive, or the reverse. Thus regarding it, he was not at all astonished that the Senator should indulge himself in the strong expressions he did; but he must say, that he was not a little astonished, that the Senator, knowing him and his past course, as he did, could for a moment suppose that he (Mr. C.) regarded it under that aspect. When did he ever utter a sentiment, or do an act, which could, by possibility, give countenance to the imputation that he considered General Jackson, or the whole House—or the Executive Department, as the Government? He would suppose that he was the last man to whom such a sentiment could be attributed. In making the declaration referred to, he viewed the subject far more comprehensively. He regarded the controversy under all its circumstances, and looked to results as testing the relative strength of the Government and the banks. He saw the most popular and powerful President that ever filled the chair of State—with boundless patronage—and sustained by a well-formed and compact majority in the Union and both Houses of Congress (of which majority the Senator was one), waging war against the Bank, and striving, with all his influence and energy, to put it down. Whether right or wrong (wrong he had believed, and still believed him to be), he was backed by the entire power of the Government, and a great majority of the people.

Now, Sir, said Mr. C., I ask if, after all this, the Bank should prove to be so indispensable to the Government as

to force itself on it—notwithstanding all these powerful opposing obstacles—greater than can ever again be arrayed against any similar institution—would not the fact prove, that the Bank has become stronger than both Government and people? And would it not go far—as he himself confessed—to make the Bank the Government? It was under this aspect that he obviously regarded the struggle; and he must say, that, if the Senator, looking on it in the same light, did not regard it with similar sentiments, he could neither envy him his feelings nor his patriotism.

REMARKS

On the Amendment proposed by Mr. Clay to the Resolution of the Committee on Finance, made in the Senate, September 26th, 1837.

[Mr. Wright, from the Committee on Finance, called up the report relative to the petitions for the establishment of a National Bank, which was:—

"*Resolved*, That the prayer of the respective petitions ought not to be granted." Mr. Clay, after some remarks, moved to strike out all after the word "*Resolved*," and insert, "that it will be expedient to establish a Bank of the United States, whenever it shall be manifest that a clear majority of the people of the United States desire such an institution."

Mr. Webster, after assigning his reasons, moved to postpone the question until Monday next; which, after some remarks from Mr. Preston, in opposition to the report of the Committee, was negatived by a vote of 30 to 15.

Mr. Tallmadge then moved to amend the amendment, by inserting after the word "Resolved" the following: "that in the opinion of the Senate, a clear majority of the people of the United States are oppo-

ed to a National Bank, and that it is inexpedient to grant the prayer of the petitioners."

After some further remarks from Messrs. Clay, Preston and Wright, Mr. Calhoun said:—]

THAT the course which he intended to pursue was, first, to vote against the amendment to the amendment—and, if that succeeded, then to vote against the amendment itself; so as to bring the question nakedly on the report of the Committee on Finance—viz., that the prayer of the petitioners ought not to be granted. He was not prepared to say what the opinion of the people of the United States is, at this time, in relation to a Bank; and much less was he prepared to commit himself in favor of one, in the contingency contemplated by the amendment. Where the constitution or important principles are involved, his only guide was his judgment and his conscience, and not the popular voice.

If there was any trick or management (as intimated in the remarks of his colleague, Mr. Preston) in bringing forward the report to entrap any Senator, who may not have made up his opinion definitely as to the necessity of a Bank, he was wholly ignorant of it. He did not know that the Committee on Finance had reported until this morning, nor that it was intended to take up the report, till a short time before it was called up; but he did not doubt the propriety of taking the sense of the Senate upon the subject of the Bank. The memorialists had petitioned for the establishment of a National Bank, and it was due to them as well as the country at large, that there should be an explicit declaration of the sense of the Senate on the subject. He considered it, in fact, among the measures of relief, that the sense of Congress should be fully known as to what ought, and what ought not to be done. There is a vast amount of capital now locked up awaiting our decision, which would flow out, as soon as it was known, to stimulate business, and

relieve the money pressure, at this important season, when the fall trade is about to commence.

Mr. C. said, his colleague (Mr. Preston) had made some remarks which he could not pass unnoticed. He understood him to say that, to assent to any important part of the President's message was to support the whole—and that it was, in fact, to become a partisan of the administration.

[Here Mr. Preston dissented, and stated that what he did say was, that, *according to his impressions*, the support of the leading measure of the administration, *seemed to him*, as necessarily involving an entire support of the administration.]

Mr. C. resumed: He was gratified to receive the explanation of his colleague; and he now understood him as merely stating his impressions of what ought to be the effects of supporting any of the prominent measures recommended in the message. He must say that his (Mr. C's.) impressions were wholly different. No one knew better than his colleague, that he never acted but in relation to an object, and that object usually one somewhat remote; and that he advanced towards it with a steady step, regardless of the difficulties and party combinations around him. He was master of his own move; and acknowledged connection with no party but the State Rights party,—the small band of nullifiers,—and acted either with or against the administration or the national party, just as it was calculated to further the principles and policy which we, of that party, regarded as essential to the liberty and institutions of the country. It was thus he acted in the present instance. He knew his latitude and longitude; he had not neglected his log-book, but had kept an exact reckoning,—and knew the precise point where he was, and in what direction he was moving. The object for which he and those with whom he had acted had united with the Nationals, had been accomplished—Executive usurpation had been arrested. The treasury was empty—and

the administration had scarcely a majority in either House, or the Union. But the event which had separated us and the Nationals, had, at the same time, put an end to the *Jackson party—they had run out.* That remarkable man had formed a personal party,—held together by his great influence, and the immense patronage placed in his hands. He was off the stage now—and the gorged treasury had been turned into empty boxes. The cohesive principle of his party was destroyed, and it had resolved itself into its original elements. It had no option, but was compelled to reunite on the old principles which brought it into power—to fall back on the ground where it stood in 1827, and where he and his friends had stood ever since, and continued to stand. There was no other alternative—this, or utter destruction. In the mean time, the Government itself had been brought back, by a series of decisive moves, almost to where it stood at its commencement, and in 1798. No bank—no tariff—and scarcely a vestige of those measures, of which it was the fruitful parent. This was the point we had reached:—Executive encroachments arrested from their own weakness, and legislative encroachments by the overthrow of the system which they had built up in a long course of years. Could he, as a member of the State Rights party, hesitate as to the course he ought to pursue in so remarkable a juncture? It was as clear as the noonday sun. We are the sworn enemies both of executive and legislative usurpations;—and of the two, more opposed, if possible, to the latter than the former—because, in the nature of things, they must take precedence in the order of time. Without legislative there could be no Executive usurpations. Congress must first encroach on the powers of the States, before the Executive can become strong enough to encroach on its powers; but as soon as they do, the benefit enures, not to them, but to the President. Reason and experience both prove this. Now, Sir, while the National party have shown themselves the foes of

Executive encroachments, they had been, and he feared still were the advocates of a liberal construction of the constitution—the supporters of the delegated against the reserved powers. To it, then, may be traced most of those acts which have gone so far to convert this into a consolidated government,—and to which they still cling. On the contrary, a very large portion of the Jackson party—those drawn off from their principles by his extraordinary influence and power, still professed, and he doubted not sincerely, to be the advocates of a strict construction of the constitution,—notwithstanding their frequent, and, he must say, great departures in practice in many particulars.

Now, he would ask, what course ought he to pursue under such circumstances? He, the opponent of all encroachments from whatever quarter — Executive or legislative? Was it for him to join the friends of the tariff—of a National Bank, and the whole system of Congressional usurpations, and utterly break down his old friends of 1827, who had taken shelter under his position,—and thus give a complete and final victory to his old opponents of that period, and with it a permanent ascendency to them and their principles and policy, which, he honestly believed, could not but end in consolidation, with the loss of our liberty and institutions? Or rather, was it not his duty, thinking as he did, and with the objects he had been long pursuing, to prevent such a result; and to call a rally of his old friends on the ground where he stood, and where they stood in 1827, in order to arrest the final triumph of the principles to which he and they were then both opposed? But my colleague seems to think the danger of Executive usurpation is not yet over, and that that department is not so prostrated as he (Mr. C.) supposed. Instead of this, he thinks it is still meditating schemes of power. Be it so. He was not more confiding than his colleague. Experience had taught him distrust of power; and if the apprehensions of his colleague should

prove correct, he stood ready to rally with his recent allies against Executive usurpation, with all the zeal and energy which had ever impelled him. He was, said Mr. C., prepared to go further; and hoped to have had the aid of those with whom he so lately acted, to push forward and guard, by prudent and wise enactments, guided by our recent experience, against the recurrence, hereafter, of the danger of encroachments on the part of the Executive. We now know how great this danger is, and he was prepared to do his duty in providing effectual guards. He saw that this was the moment to reap the fruit of the double victory which had been achieved, mainly by the small party to which he belonged,—both against the encroachments of Congress on the rights of the States, and of the President on the rights of Congress,—and thereby place the liberty and institutions of the country on a durable basis, which he hoped to effect by uniting with the Nationals in providing effectual guards against the future usurpations of the Executive—and with his old friends of 1827, in resisting the encroachments of Congress on the States; and, as the first step in the discharge of this important duty, he joined them in opposing a bank, and the reunion of the Government with the banking system—and was prepared to act throughout with them against Congressional encroachment in any form and shape. He trusted he had now defined his position so as to leave no possibility of mistake, as to where he was—whither he was going—and under what flag he sailed. In taking his course he was neither an administration man—nor an opposition man,—much less any man's man. He belonged to no party but the State Rights party; and wished to be considered nothing more than a plain, and an honest NULLIFIER.

SPEECH

On his Amendment to the Bill authorizing the Issue of Treasury Notes, delivered in the Senate, October 3d, 1837.

[AMENDMENT offered by Mr. Calhoun—"*Be it further enacted*, That from and after the first day of January, 1838, three-fourths of the amount due to the Government, for duties, taxes, sales of public lands, or other debts, may be paid in the notes of specie-paying banks; and that from and after the first day of January, 1839, one-half may be so paid; and from and after the first day of January, 1840, one-fourth may be so paid; and from and after the first day of January, 1841, all sums due for duties, sales of public lands, or other debts to the Government, shall be paid only in the legal currency of the United States, or in such notes, bills, or paper, issued under the authority of the same, as may be directed to be received by law."]

MR. PRESIDENT: In reviewing this discussion, I have been struck with the fact, that the argument on the opposite side has been limited, almost exclusively, to the questions of relief and the currency. These are, undoubtedly, important questions, and well deserving the deliberate consideration of the Senate; but there are other questions involved in this issue of a far more elevated character, and which more imperiously demand our attention. The banks have ceased to be mere moneyed incorporations. They have become great political institutions, with vast influence over the welfare of the community; so much so, that a highly distinguished Senator (Mr. Clay) has declared, in his place, that the question of the disunion of the Government and the banks involved in its consequences the disunion of the States themselves. With this declaration sounding in our ears, it is time to look into the origin of a system which has already

acquired such mighty influence ; to inquire into the causes which have produced it, and whether they are still on the increase ; in what they will terminate, if left to themselves ; and, finally, whether the system is favorable to the permanency of our free institutions ; to the industry and business of the country ; and, above all, to the moral and intellectual development of the community. I feel the vast importance and magnitude of these topics, as well as their great delicacy. I shall touch them with extreme reluctance, and only because I believe them to belong to the occasion, and that it would be a dereliction of public duty to withhold any opinion, which I have deliberately formed, on the subject under discussion.

The rise and progress of the banking system is one of the most remarkable and curious of the phenomena of modern times. Its origin is modern and humble, and gave no indication of the extraordinary growth and influence which it was destined to attain. It dates back to 1609, the year that the Bank of Amsterdam was established. Other banking institutions preceded it ; but they were insulated, and not immediately connected with the systems which have since sprung up, and which may be distinctly traced to that bank, which was a bank of deposit—a mere storehouse—established under the authority of that great commercial metropolis, for the purpose of safe-keeping the precious metals, and facilitating the vast system of exchanges which then centred there. The whole system was the most simple and beautiful that can be imagined. The depositor, on delivering his bullion or coin in store, received a credit, estimated at the standard value on the books of the bank, and a certificate of deposit for the amount, which was transferable from hand to hand, and entitled the holder to withdraw the deposit on payment of a moderate fee for the expense and hazard of safe-keeping. These certificates became, in fact, the circulating medium of the community—performing, as it were, the hazard and

drudgery; while the precious metals, which they, in truth, represented, guilder for guilder, lay quietly in store, without being exposed to the wear and tear, or losses incidental to actual use. It was thus a paper currency was created, having all the solidity, safety and uniformity of a metallic, with the facility belonging to that of paper. The whole arrangement was admirable, and worthy of the strong sense and downright honesty of the people with whom it originated.

Out of this, which may be called the first era of the system, grew the bank of deposit, discount, and circulation—a great and mighty change, destined to effect a revolution in the condition of modern society. It is not difficult to explain how the one system should spring from the other, notwithstanding the striking dissimilarity in features and character between the offspring and the parent. A vast sum, not less than three millions sterling, accumulated and remained habitually in deposit in the Bank of Amsterdam—the place of the returned certificates being constantly supplied by new depositors. With so vast a standing deposit, it required but little reflection to perceive, that a very large portion of it might be withdrawn, and that a sufficient amount would be still left to meet the returning certificates; or, what would be the same in effect, that an equal amount of fictitious certificates might be issued beyond the sum actually deposited. Either process, if interest be charged on the deposits withdrawn, or the fictitious certificates issued, would be a near approach to a bank of discount. This once seen, it required but little reflection to perceive that the same process would be equally applicable to a capital placed in bank as stock; and from that, the transition was easy to issuing bank-notes payable on demand, or bills of exchange, or promissory notes, having but a short time to run. These, combined, constitute the elements of a bank of discount, deposit, and circulation.

Modern ingenuity and dishonesty, would not have been

long in perceiving, and turning such advantages to account; but the faculties of the plain Belgian were either too blunt to perceive, or his honesty too stern to avail himself of them. To his honor, there is reason to believe, notwithstanding the temptation, the deposits were sacredly kept—and that, for every certificate in circulation, there was a corresponding amount in bullion or coin in store. It was reserved for another people, either more ingenious or less scrupulous, to make the change.

The Bank of England was incorporated in 1694, eighty-five years after that of Amsterdam, and was the first bank of deposit, discount, and circulation. Its capital was £1,200,000, consisting wholly of government stock, bearing an interest of eight per cent. per annum. Its notes were received in the dues of the Government, and the public revenue was deposited in the bank. It was authorized to circulate exchequer bills, and make loans to Government. Let us pause for a moment, and contemplate this complex and potent machine, under its various characters and functions.

As a bank of deposit, it was authorized to receive deposits, not simply for safe-keeping, to be returned when demanded by the depositor, but to be used and loaned out for the benefit of the institution, care being taken always to be provided with the means of returning an equal amount, when demanded. As a bank of discount and circulation, it issued its notes on the faith of its capital stock and deposits, or discounted bills of exchange, and promissory notes, backed by responsible indorsers, charging an interest something greater than was authorized by law to be charged on loans; and thus allowing it, for the use of its credit, a higher rate of compensation than individuals were authorized to receive for the use and hazard of money or capital loaned out. It will, perhaps, place this point in a clear light, if we should consider the transaction in its true character, not as a loan, but as a mere exchange of credit. In discounting, the

bank takes, in the shape of a promissory note, the credit of an individual so good that another, equally responsible, indorses his note for nothing, and gives out its credit in the form of a bank-note. The transaction is obviously a mere exchange of credit. If the drawer and indorser break, the loss is the bank's; but if the bank breaks, the loss falls on the community; and yet this transaction, so dissimilar, is confounded with a loan, and the bank permitted to charge, on a mere exchange of credit, in which the hazard of the breaking of the drawer and indorser is incurred by the bank, and that of the bank by the community, a higher sum than the legal rate of interest on a loan; in which, besides the use of his capital, the hazard is all on the side of the lender.

Turning from these to the advantages which it derived from its connection with the Government, we shall find them not less striking. Among the first of these in importance, is the reception of its notes in the dues of the Government, by which the credit of the Government was added to that of the bank, which so greatly increased its circulation. These, again, when collected by the Government, were placed in deposit in the bank; thus giving to it, not only the profit resulting from their abstraction from circulation, from the time of collection till disbursement, but also that from the use of the public deposits in the interval. To complete the picture, the bank, in its capacity of lender to the Government, in fact paid its own notes, which rested on the faith of the Government stock, on which it was drawing eight per cent.; so that, in truth, it but loaned to the Government its own credit.

Such were the extraordinary advantages conferred on this institution, and of which it had an exclusive monopoly; and these are the causes which gave such an extraordinary impulse to its growth and influence, that it increased in a little more than a hundred years—from 1694, when the second era of the system commenced with the establishment of the

Bank of England, to 1797, when it terminated—from £1,200,000 to nearly £11,000,000, and this mainly by the addition to its capital, through loans to the Government, above the profits of its annual dividends. Before entering on the third era of the system, I pause to make a few reflections on the second.

I am struck, in casting my eyes over it, to find that, notwithstanding the great dissimilarity of features which the system had assumed in passing from a mere bank of deposit to that of deposit, discount, and circulation, the operation of the latter was confounded, throughout this long period, as it regards the effects on the currency, with the bank of deposit. Its notes were universally regarded as representing gold and silver, and as depending on that representation exclusively for their circulation; as much so as did the certificates of deposit in the original Bank of Amsterdam. No one supposed that they could retain their credit for a moment after they ceased to be convertible into the metals on demand; nor were they supposed to have the effect of increasing the aggregate amount of the currency; nor, of course, of increasing prices. In a word, they were in the public mind as completely identified with the metallic currency, as if every note in circulation had laid up in the vaults of the bank an equal amount, pound for pound, into which all its paper could be converted the moment it was presented

All this was a great delusion. The issues of the bank *never did represent, from the first*, the precious metals. Instead of *the representatives*, its notes were, in reality, the *substitute* for coin. Instead of being the mere drudges, performing all the outdoor service, while the coins reposed at their ease in the vaults of the banks, free from wear and tear, and the hazard of loss or destruction, as did the certificates of deposit in the original Bank of Amsterdam, they substituted, degraded, and banished the coins. Every note

circulated became the substitute of so much coin, and dispensed with it in circulation, and thereby depreciated the value of the precious metals, and increased their consumption in the same proportion; while it diminished in the same degree the supply, by rendering mining less profitable. The system assumed gold and silver as the basis of its circulation; and yet, by the laws of its nature, just as it increased its circulation, in the same degree the foundation on which the system stood was weakened. The consumption of the metals increased, and the supply diminished. As the weight of the superstructure increased, just in the same proportion its foundation was undermined and weakened. Thus the germ of destruction was implanted in the system at its birth, has expanded with its growth, and must terminate, finally, in its dissolution—unless, indeed, it should, by some transition, entirely change its nature, and pass into some other and entirely different organic form. The conflict between bank circulation and metallic (though not perceived in the first stages of the system, when they were supposed to be indissolubly connected) is mortal; one or the other must perish in the struggle. Such is the decree of fate—it is irreversible.

Near the close of the second era, the system passed the Atlantic, and took root in our country, where it found the soil still more fertile, and the climate more congenial than even in the parent country. The Bank of North America was established in 1781, with a capital of $400,000, and bearing all the features of its prototype, the Bank of England. In the short space of a little more than half a century, the system has expanded from one bank to about eight hundred, including branches (no one knows the exact number, so rapid the increase), and from a capital of less than half a million to about $300,000,000, without, apparently, exhausting or diminishing its capacity to increase. So accelerated has been its growth with us, from causes which I

explained on a former occasion,* that already it has approached a point much nearer the limits beyond which the system, in its present form, cannot advance, than in England.

During the year 1797, the Bank of England suspended specie payments—an event destined, by its consequences, to effect a revolution in public opinion in relation to the system, and to accelerate the period which must determine its fate. England was then engaged in that gigantic struggle which originated in the French Revolution, and her financial operations were on the most extended scale, followed by a corresponding increase in the action of the bank, as her fiscal agent. It sunk under its over-action. Specie payments were suspended. Panic and dismay spread through the land—so deep and durable was the impression that the credit of the bank depended exclusively on the punctuality of its payments.

In the midst of the alarm, an act of Parliament was passed making the notes of the bank a legal tender; and, to the surprise of all, the institution proceeded on, apparently without any diminution of its credit. Its notes circulated freely as ever, and without any depreciation, for a time, compared with gold and silver; and continued so to do for upwards of twenty years, with an average diminution of about one per cent. per annum. This shock did much to dispel the delusion that bank-notes represented gold and silver, and that they circulated in consequence of such representation, but without entirely obliterating the old impression which had taken such strong hold on the public mind. The credit of its notes during the suspension was generally attributed to the tender act, and the great and united resources of the bank and the Government.

But an event followed of the same kind, under circum-

* See Speech on Mr. Webster's motion to renew the charter of the United States Bank in 1834.

stances entirely different, which did more than any preceding to shed light on the true nature of the system, and to unfold its vast capacity to sustain itself without exterior aid. We finally became involved in the mighty struggle that had so long desolated Europe and enriched our country. War was declared against Great Britain, in 1812, and in the short space of one year our feeble banking system sunk under the increased fiscal action of Government. I was then a member of the other House, and had taken my full share of responsibility in the measures which had led to that result. I shall never forget the sensation which the suspension, and the certain anticipation of the prostration of the currency of the country, as a consequence, excited in my mind. We could resort to no tender act; we had no great central regulating power, like the Bank of England; and the credit and resources of the Government were comparatively small. Under such circumstances, I looked forward to a sudden and great depreciation of bank-notes, and that they would fall speedily as low as the old continental money. Guess my surprise when I saw them sustain their credit, with scarcely any depreciation, for a time, from the shock. I distinctly recollect when I first asked myself the question, What was the cause? and which directed my inquiry into the extraordinary phenomenon. I soon saw that the system contained within itself a self-sustaining power; that there was between the banks and the community, mutually, the relation of debtor and creditor—there being at all times something more due to the banks from the community than from the latter to the former. I saw, in this reciprocal relation of debts and credits, that the demand of the banks on the community was greater than the amount of their notes in circulation could meet; and that, consequently, so long as their debtors were solvent, and bound to pay at short periods, their notes could not fail to be at or near a par with gold and silver. I also saw that, as their debtors were principally the merchants,

they would take bank-notes to meet their bank debts, and that that which the merchant and the Government, who are the great money-dealers, take, the rest of the community would also take. Seeing all this, I clearly perceived that self-sustaining principle which poised the system, self-balanced, like some celestial body, moving with scarcely a perceptible deviation from its path, from the concussion it had received.

Shortly after the termination of the war, specie payments were coerced with us by the establishment of a National Bank, and a few years afterwards, in Great Britain, by an act of Parliament. In both countries the restoration was followed by wide-spread distress, as it always must be when effected by coercion; for the simple reason that banks cannot pay unless their debtors first pay, and that to coerce the banks compels them to coerce their debtors before they have the means to pay. Their failure must be the consequence; and this involves the failure of the banks themselves, carrying with it universal distress. Hence I am opposed to all kinds of coercion, and am in favor of leaving the disease to time, with the action of public sentiment and the States, to which the banks are alone responsible.

But to proceed with my narrative. Although specie payments were restored, and the system apparently placed where it was before the suspension, the great capacity it proved to possess of sustaining itself without specie payments, was not forgot by those who had its direction. The impression that it was indispensable to the circulation of bank-notes that they should represent the precious metals, was almost obliterated; and the latter *were regarded rather as restrictions on the free and profitable operation of the system, than as the means of its security.* Hence a feeling of opposition to gold and silver gradually grew up on the part of the banks, which created an *esprit du corps*, followed by a moral resistance to specie payments, if I may so express myself, which in fact

suspended, in a great degree, the conversion of their notes into the precious metals, long before the present suspension. With the growth of this feeling, banking business assumed a bolder character, and its profits were proportionably enlarged, and with it the tendency of the system to increase kept pace. The effect of this soon displayed itself in a striking manner, which was followed by very important consequences, which I shall next explain.

It so happened that the charters of the Bank of England and the late Bank of the United States expired about the same time. As the period approached, a feeling of hostility, growing out of the causes just explained, which had excited a strong desire in the community, who could not participate in the profits of these two great monopolies, to throw off their restraint, began to disclose itself against both institutions. In Great Britain it terminated in breaking down the exclusive monopoly of the Bank of England, and narrowing greatly the specie basis of the system, by making the notes of the Bank of England a legal tender in all cases, except between it and its creditors. A sudden and vast increase of the system, with a great diminution of the metallic basis in proportion to banking transactions, followed, which has shocked and weakened the stability of the system there. With us the result was different. The Bank fell under the hostility. All restraint on the system was removed, and banks shot up in every direction almost instantly, under the growing impulse which I have explained, and which, with the causes I stated when I first addressed the Senate on this question, has led to the present catastrophe.

With it commences the fourth era of the system, which we have just entered—an era of struggle, and conflict, and change. The system can advance no further in our country, without great and radical changes. It has come to a stand. The conflict between metallic and bank currency, which I have shown to be inherent in the system, has, in the course

of time, and with the progress of events, become so deadly that they must separate, and one or the other fall. The degradation of the value of the metals, and their almost entire expulsion from their appropriate sphere as the medium of exchange and the standard of value, have gone so far, under the necessary operation of the system, that they are no longer sufficient to form the basis of the widely-extended system of banking. From the first, the gravitation of the system has been *in one direction—to dispense with the use of the metals;* and hence the descent from a bank of deposit to one of discount; and hence, from being the representative, their notes have become the substitute for gold and silver; and hence, finally, its present tendency to a mere paper engine, totally separated from the metals. One law has steadily governed the system throughout—the enlargement of its profits and influence; and, as a consequence, as metallic currency became insufficient for circulation, it has become, in its progress, insufficient for the basis of banking operations; so much so, that, if specie payments were restored, it would be but nominal, and the system would in a few years, on the first adverse current, sink down again into its present helpless condition. Nothing can prevent it but great and radical changes, which would diminish its profits and influence, so as effectually to arrest that strong and deep current which has carried so much of the wealth and capital of the community in that direction. Without that, the system, as now constituted, must fall; unless, indeed, it can form an alliance with the Government, and through it, establish its authority by law, and make its credit, unconnected with gold and silver, the medium of circulation. If the alliance should take place, one of the first movements would be the establishment of a great central institution; or, if that should prove impracticable, a combination of a few selected and powerful State banks, which, sustained by the Government, would crush or subject the weaker,—to be followed by an

amendment of the constitution, or some other device, to limit their number and the amount of their capital hereafter. This done, the next step would be to confine and consolidate the supremacy of the system over the currency of the country, which would be in its hands exclusively, and, through it, over the industry, business, and politics of the country; all of which would be wielded to advance its profits and power.

The system having now arrived at this point, the great and solemn duty devolves on us to determine, this day, what relation this Government shall hereafter bear to it. Shall we enter into an alliance with it, and become the sharers of its fortune and the instrument of its aggrandizement and supremacy? This is the momentous question on which we must now decide. Before we decide, it behooves us to inquire whether the system is favorable to the permanency of our republican institutions, to the industry and business of the country, and, above all, to our moral and intellectual development, the great object for which we were placed here by the Author of our being.

Can it be doubted what must be the effects of a system, the operations of which have been shown to be so unequal on free institutions, whose foundation rests on an equality of rights? Can that favor equality which gives to one portion of the citizens and the country such decided advantages over the other, as I have shown it does in my opening remarks? Can that be favorable to liberty which concentrates the money power, and places it under the control of a few powerful and wealthy individuals? It is the remark of a profound statesman, that the revenue is the state; and, of course, those who control the revenue control the state; and those who can control the money power can the revenue, and through it the state, with the property and industry of the country, in all its ramifications. Let us pause for a moment, and reflect on the nature and extent of this tremendous power.

The currency of a country is to the community what the blood is to the human system. It constitutes a small part, but it circulates through every portion, and is indispensable to all the functions of life. The currency bears even a smaller proportion to the aggregate capital of the community than the blood does to the solids in the human system. What that proportion is, has not been, and perhaps cannot be, accurately ascertained, as it is probably subject to considerable variations. It is, however, probably between twenty-five and thirty-five to one. I will assume it to be thirty to one. With this assumption, let us suppose a community whose aggregate capital is $31,000,000; its currency would be, by supposition, one million, and the residue of its capital thirty millions. This being assumed, if the currency be increased or decreased, the other portion of the capital remaining the same, according to the well-known laws of currency, property would rise or fall with the increase or decrease; that is, if the currency be increased to two millions, the aggregate value of property would rise to sixty millions; and, if the currency be reduced to $500,000, it would be reduced to fifteen millions. With this law so well established, place the money power in the hands of a single individual, or a combination of individuals—and they, by expanding or contracting the currency, may raise or sink prices at pleasure; and, by purchasing when at the greatest depression, and selling at the greatest elevation, may command the whole property and industry of the community, and control its fiscal operations. The banking system concentrates and places this power in the hands of those who control it, and its force increases just in proportion as it dispenses with a metallic basis. Never was an engine invented better calculated to place the destiny of the many in the hands of the few, or less favorable to that equality and independence which lie at the bottom of our free institutions.

These views have a bearing not less decisive on the next

inquiry—the effects of the system on the industry and wealth of the country. Whatever may have been its effects in this respect in its early stages, it is difficult to imagine any thing more mischievous on all the pursuits of life than the frequent and sudden expansions and contractions, to which it has now become so habitually subject, that it may be considered its ordinary condition. None but those in the secret know what to do. All are pausing and looking out to ascertain whether an expansion or contraction is next to follow, and what will be its extent and duration; and if, perchance, an error be committed—if it expands when a contraction is expected, or the reverse—the most prudent may lose, by the miscalculation, the fruits of a life of toil and care. The consequence is, to discourage industry, and to convert the whole community into stockjobbers and speculators. The evil is constantly on the increase, and must continue to increase just as the banking system becomes more diseased, till it shall become utterly intolerable.

But its most fatal effects originate in its bearing on the moral and intellectual development of the community. The great principle of demand and supply governs the moral and intellectual world no less than the business and commercial. If a community be so constituted as to cause a demand for high mental attainments, or if its honors and rewards are allotted to pursuits that require their development, by creating a demand for intelligence, knowledge, wisdom, justice, firmness, courage, patriotism, and the like—they are sure to be produced. But if, on the contrary, they be allotted to pursuits that require inferior qualities, the higher are sure to decay and perish. I object to the banking system, because it allots the honors and rewards of the community, in a very undue proportion, to a pursuit the least of all favorable to the development of the higher mental qualities, intellectual or moral—to the decay of the learned professions, and the more noble pursuits of science, literature, philosophy, and

statesmanship, and the great and more useful pursuits of business and industry. With the vast increase of its profits and influence, it is gradually concentrating in itself most of the prizes of life—wealth, honor, and influence—to the great disparagement and degradation of all the liberal, and useful, and generous pursuits of society. The rising generation cannot but feel its deadening influence. The youths who crowd our colleges, and behold the road to honor and distinction terminating in a banking-house, will feel the spirit of emulation decay within them, and will no longer be pressed forward by generous ardor, to mount up the rugged steep of science as the road to honor and distinction, when, perhaps, the highest point they could attain—in what was once the most honorable and influential of all the learned professions —would be—the place of attorney to a bank.

Nearly four years since, on the question of the removal of the deposits, although I was opposed to the removal, and in favor of their restoration, because I believed it to be illegal, yet, foreseeing what was coming, and not wishing there should be any mistake as to my opinion on the banking system, I stated here in my place what that opinion was. I declared that I had long entertained doubts, if doubts they might be called, which were daily increasing, that the system made the worst possible distribution of the wealth of the community, and that it would ultimately be found hostile to the further advancement of civilization and liberty. This declaration was not lightly made; and I have now unfolded the grounds on which it rested, and which subsequent events and reflection have matured into a settled conviction.

With all these consequences before us, shall we restore the broken connection? Shall we again unite the Government with the system? And what are the arguments opposed to these high and weighty objections? Instead of meeting them, and denying their truth, or opposing others of equal weight, a rabble of objections (I can call them by

no better name) are urged against the separation: "one currency for the Government, and another for the people;" "separation of the people from the Government;" "taking care of the Government, and not the people;" and a whole fraternity of others of like character. When I first saw them advanced in the columns of a newspaper, I could not but smile, in thinking how admirably they were suited to an electioneering canvass. They have a certain plausibility about them, which makes them troublesome to an opponent, simply because they are merely plausible, without containing one particle of reason. I little expected to meet them in discussion in this place; but since they have been gravely introduced here, respect for the place and company exacts a passing notice, to which, of themselves, they are not at all entitled.

I begin with that which is first pushed forward, and seems to be most relied on—one currency for the Government and another for the people. Is it meant that the Government must take in payment of its debts whatever the people take in payment of theirs? If so, it is a very broad proposition, and would lead to important consequences. The people now receive the notes of non-specie-paying banks. Is it meant that the Government should also receive them? They receive in change all sorts of paper, issued by we know not whom. Must the Government also receive them? They receive the notes of banks issuing notes under five, ten, and twenty dollars. Is it intended that the Government shall also permanently receive them? They receive bills of exchange. Shall Government, too, receive them? If not, I ask the reason. Is it because they are not suitable for a sound, stable, and uniform currency? The reason is good; but what becomes of the principle, that the Government ought to take whatever the people take? But I go further. It is the duty of Government to receive nothing in its dues that it has not the right to render uniform and stable in its

value. We are, by the constitution, made the guardian of the money of the country. For this, the right of coining and regulating the value of coins was given; and we have no right whatever to receive or treat any thing as money, or the equivalent of money, the value of which we have no right to regulate. If this principle be true, and it cannot be controverted, I ask, What right has Congress to receive and treat the notes of the State banks as money? If the States have the right to incorporate banks, what right has Congress to regulate them or their issues? Show me the power in the constitution. If the right be admitted, what are its limitations, and how can the right of subjecting them to a bankrupt law in that case be denied? If one be admitted, the other follows as a consequence; and yet those who are most indignant against the proposition of subjecting the State banks to a bankrupt law, are the most clamorous to receive their notes, not seeing that the one power involves the other. I am equally opposed to both, as unconstitutional and inexpedient.

We are next told, to separate from the banks, is to separate from the people. The banks, then, are the people, and the people the banks—united, identified, and inseparable; and as the Government belongs to the people, it follows, of course, according to this argument, it belongs also to the banks, and, of course, is bound to do their biddings. I feel on so grave a subject, and in so grave a body, an almost invincible repugnance in replying to such arguments; and I shall hasten over the only remaining one of the fraternity which I shall condescend to notice with all possible despatch. They have no right of admission here—and, if I were disposed to jest on so solemn an occasion, I should say they ought to be driven from this Chamber, under the 47th rule.*

The next of these formidable objections to the separation

* The rule regulating the admission of persons into the lobby of the Senate.

from the banks is, that the Government, in so doing, takes care of itself, and not of the people. Why, I had supposed that the Government belonged to the people; that it was created by them for their own use, to promote their interest, and secure their peace and liberty; that, in taking care of itself, it takes the most effectual care of the people; and in refusing all embarrassing, entangling, and dangerous alliances with corporations of any description, it was but obeying the great law of self-preservation. But enough; I cannot any longer waste words on such objections. I intend no disrespect to those who have urged them; yet these, and arguments like these, are mainly relied on to countervail the many and formidable objections, drawn from the highest considerations that can influence the action of governments or individuals—none of which have been refuted, and many not even denied.

The Senator from Massachusetts (Mr. Webster) urged an argument of a very different character, but which, in my opinion, he entirely failed to establish. He asserted, that the ground assumed, on this side, was an entire abandonment of a great constitutional function conferred by the constitution on Congress. To establish this, he laid down the proposition, that Congress was bound to take care of the money of the country. Agreed:—and with this view the constitution confers on us the right of coining and regulating the value of coins, in order to supply the country with money of proper standard and value:—and is it an abandonment of this right to take care, as this bill does, that it shall not be expelled from circulation, as far as the fiscal action of this Government extends? But having taken this unquestionable position, the Senator passed (by what means he did not condescend to explain) from taking care of the money of the country to the right of establishing a currency, and then to the right of establishing a bank currency, as I understood him. On both of these points I leave him in the hands of the Senator from

Pennsylvania (Mr. Buchanan), who, in an able and constitutional argument, completely demolished, in my judgment, the position assumed by the Senator from Massachusetts. I rejoice to hear such an argument from such a quarter. The return of the great State of Pennsylvania to the doctrines of rigid construction and State Rights, sheds a ray of light on the thick darkness which has long surrounded us.

But we are told that there is not gold and silver enough to fill the channels of circulation, and that prices would fall. Be it so. What is that, compared to the dangers which menace on the opposite side? But are we so certain that there is not a sufficiency of the precious metals for the purpose of circulation? Look at France, with her abundant supply, with her channels of circulation full to overflowing with coins, and her flourishing industry. It is true that our supply is insufficient at present. How could it be otherwise? The banking system has degraded and expelled the metals—driven them to foreign lands—closed the mines, and converted their products into costly vases, and splendid utensils and ornaments, administering to the pride and luxury of the opulent, instead of being employed as the standard of value, and the instrument of making exchanges, as they were manifestly intended, mainly, to be by an all-wise Providence. Restore them to their proper functions, and they will return from their banishment; the mines will again be opened, and the gorgeous splendor of wealth will again reassume the more humble, but useful, form of coins.

But, Mr. President, I am not driven to such alternatives. I am not the enemy, but the friend of credit—not as the substitute, but the associate and the assistant of the metals. In that capacity, I hold credit to possess, in many respects, a vast superiority over the metals themselves. I object to it in the form which it has assumed in the banking system, for reasons that are neither light nor few, and that neither have been nor can be answered. The question is, not whether credit

can be dispensed with, but what is its best possible form—the most stable, the least liable to abuse, and the most convenient and cheap. I threw out some ideas on this important subject in my opening remarks. I have heard nothing to change my opinion. I believe that Government credit, in the form I suggested, combines all the requisite qualities of a credit circulation in the highest degree, and also that Government ought not to use any other credit but its own in its financial operations. When the Senator from Massachusetts made his attack on my suggestions, I was disappointed. I expected argument, and he gave us denunciation. It is often easy to denounce, when it is hard to refute; and when that Senator gives denunciation instead of argument, I conclude that it is because the one is at his command, and the other not.

We are told the form I suggested is but a repetition of the old Continental money—a ghost that is ever conjured up by all who wish to give the banks an exclusive monopoly of government credit. The assertion is not true: there is not the least analogy between them. The one was a promise to pay when there was no revenue, and the other a promise to receive in the dues of Government when there is an abundant revenue.

We are also told that there is no instance of a Government paper that did not depreciate. In reply, I affirm that there is none, assuming the form I propose, that ever did depreciate. Whenever a paper, receivable in the dues of Government, had any thing like a fair trial, it has succeeded. Instance the case of North Carolina, referred to in my opening remarks. The drafts of the treasury at this moment, with all their encumbrance, are nearly at par with gold and silver; and I might add the instance alluded to by the distinguished Senator from Kentucky, in which he admits that, as soon as the excess of the issues of the Commonwealth Bank of Kentucky were reduced to the proper point, its notes rose

to par. The case of Russia might also be mentioned. In 1827, she had a fixed paper circulation, in the form of bank-notes, but which were inconvertible, of upward of $120,000,000, estimated in the metallic ruble, and which had for years remained without fluctuation, having nothing to sustain it but that it was received in the dues of the Government, and that, too, with a revenue of only about $90,000,000 annually. I speak on the authority of a respectable traveller. Other instances, no doubt, might be added, but it needs no such support. How can a paper depreciate which the Government is bound to receive in all its payments, and while those to whom payments are to be made are under no obligation to receive it? From its nature, it can only circulate when at par with gold and silver; and if it should depreciate, none could be injured but the Government.

But my colleague objects that it would partake of the increase and decrease of the revenue, and would be subject to greater expansions and contractions than bank-notes themselves. He assumes that Government would increase the amount with the increase of the revenue,—which is not probable, for the aid of its credit would be then less needed; but if it did, what would be the effect? On the decrease of the revenue, its bills would be returned to the treasury, from which, for the want of demand, they could not be reissued; and the excess, instead of hanging on the circulation, as in the case of bank-notes, and exposing it to catastrophes like the present, would be gradually and silently withdrawn, without shock or injury to any one. It has another and striking advantage over bank circulation—in its superior cheapness, as well as greater stability and safety. Bank paper is cheap to those who make it, but dear, very dear, to those who use it—fully as much so as gold and silver. It is the little cost of its manufacture, and the dear rates at which it is furnished to the community, which give the great profit to those who have a monopoly of the article. Some idea

may be formed of the extent of the profit, by the splendid palaces which we see under the name of banking-houses, and the vast fortunes which have been accumulated in this branch of business; all of which must ultimately be derived from the productive powers of the community, and, of course, adds so much to the cost of production. On the other hand, the credit of Government, while it would greatly facilitate its financial operations, would cost nothing, or next to nothing, both to it and the people,—and, of course, would add nothing to the cost of production, which would give every branch of our industry, agriculture, commerce, and manufactures, as far as its circulation might extend, great advantages, both at home and abroad.

But there remains another and great advantage. In the event of war, it would open almost unbounded resources to carry it on, without the necessity of resorting to, what I am almost disposed to call a fraud—public loans. I have already shown that the loans of the Bank of England to the Government were very little more than loaning back to the Government its own credit; and this is more or less true of all loans, where the banking system prevails. It was pre-eminently so in our late war. The circulation of the Government credit, in the shape of bills receivable exclusively, with gold and silver, in its dues, and the sales of public lands, would dispense with the necessity of loans, by increasing its bills with the increase of taxes. The increase of taxes, and, of course, of revenue and expenditures, would be followed by an increased demand for Government bills, while the latter would furnish the means of paying the taxes, without increasing, in the same degree, the pressure on the community. This, with a judicious system of funding, at a low rate of interest, would go far to exempt the Government from the necessity of contracting public loans in the event of war.

I am not, Mr. President, ignorant, in making these suggestions (I wish them to be considered only in that light),

to what violent opposition every measure of the kind must be exposed. Banks have been so long in the possession of Government credit, that they very naturally conclude they have an exclusive right to it, and consider the withdrawal of it, even for the use of the Government itself, as a positive injury. It was my fortune to take a stand on the side of the Government against the banks during the most trying period of the late war—the winter of 1814 and 1815—and never in my life was I exposed to more calumny and abuse—no, not even on this occasion. It was my first lesson on the subject. I shall never forget it. I propose to give a very brief narrative of the scenes through which I then passed; not with any feeling of egotism, for I trust I am incapable of that, but to illustrate the truth of much I have said, and to snatch from oblivion not an unimportant portion of our financial history. I see the Senators from Massachusetts (Mr. Webster) and of Alabama (Mr. King), who were then members of the House of Representatives, in their places, and they can vouch for the correctness of my narrative, as far as the memory of transactions so long passed will serve.

The finances of the country had, at that time, fallen into great confusion. Mr. Campbell had retired from the head of the treasury, and the late Mr. Dallas had succeeded—a man of talents, bold and decisive, but inexperienced in the affairs of the department. His first measure to restore order, and to furnish the supplies to carry on the war, was to recommend a bank of $50,000,000, to be constituted almost exclusively of the new stocks which had been issued during the war, to the exclusion of the old, which had been issued before. The proposed bank was authorized to make loans to the Government, and was not bound to pay specie during the war, and for three years after its termination.

It so happened that I did not arrive here till some time after the commencement of the session, having been detained by an attack of bilious fever. I had taken a prominent part

in the declaration of the war, and had every motive and disposition to sustain the administration, and to vote every aid to carry on the war. Immediately after my arrival, I had a full conversation with Mr. Dallas, at his request. I entertained very kind feelings towards him, and assured him, after he had explained his plan, that I would give it my early and favorable attention. At that time I had reflected but little on the subject of banking. Many of my political friends expressed a desire that I should take a prominent part in favor of the proposed bank. Their extreme anxiety aroused my attention, and, being on a committee (they had been appointed before my arrival), I took up the subject for a full investigation, with every disposition to give it my support. I had not proceeded far before I was struck with the extraordinary character of the project; a bank of $50,000,000, whose capital was to consist almost exclusively of Government credit in the shape of stock, and not bound to pay its debts during the war, and for three years afterward, to furnish the Government with loans to carry on the war! I saw, at once, that the effect of the arrangement would be, that the Government would borrow back its own credit, and pay six per cent. per annum for what they had already paid eight or nine. It was impossible for me to give it my support under any pressure, however great. I felt the difficulty of my situation, not only in opposing the leading measure of the administration at such a crisis, but, what was far more responsible, to suggest one of my own, that would afford relief to the embarrassed treasury. I cast my eyes around, and soon saw that the Government could use its own credit directly, without the intervention of a bank; which I proposed to do in the form of treasury notes, to be issued in the operations of the Government, and to be funded in the subscription to the stock of the bank. Treasury notes were, at that time, below par, even with bank paper. The opposition to them was so great on the part of the banks, that they

refused to receive them on deposit, or payment, at par with their notes; while the Government, on its part, received and paid away notes of the banks at par with its own. Such was the influence of the banks, and to such degradation did the Government, in its weakness, submit. All this influence I had to encounter, with the entire weight of the administration thrown into the same scale. I hesitated not. I saw the path of duty clearly, and determined to tread it, sharp and rugged as it was. When the bill came up, I moved my amendment, the main features of which were, that, instead of Government stock already issued, the capital of the bank should consist of funded treasury notes; and that, instead of a mere paper machine, it should be a specie-paying bank, so as to be an ally, instead of an opponent, in restoring the currency to a sound condition on the return of peace. These were, with me, indispensable conditions. I accompanied my amendment with a short speech of fifteen or twenty minutes, and so overpowering was the force of truth, that, notwithstanding the influence of the administration, backed by the money power, and the Committee of Ways and Means, which was unanimous, with one exception, as I understood, my amendment prevailed by a large majority; but it, in turn, failed —the opposition, the adherents of the administration, and those who had constitutional scruples, combining against it. Then followed various, but unsuccessful, attempts to charter a bank. One was vetoed by the President, and another was lost by the casting vote of the Speaker (Mr. Cheves). After a large portion of the session was thus unsuccessfully consumed, a caucus was called, in order to agree on some plan, to which I, and a few friends who still adhered to me after such hard service, were especially invited. We, of course, attended. The plan of compromise was unfolded, which approached much nearer to our views, but which was still objectionable in some features. I objected, and required further concessions, which were refused; and we were told the

bill could be passed without us; at which I took up my hat and bade good-night. The bill was introduced in the Senate, and speedily passed that body. On the second reading, I rose and made a few remarks, in which I entreated the House to remember that they were about to vote for the measure against their conviction, as had been frequently expressed; and that, in so doing, they acted under a supposed necessity, which had been created by those who expected to profit by the measure. I then reminded them of the danger of acting under such pressure; and I said that they were so sensible of the truth of what I uttered, that, if peace should arrive before the passage of the bill, it would not receive the support of fifteen members. I concluded by saying that I would reserve what I intended to say on the question of the passage of the bill, when I would express my opinion at length, and appeal to the country. My objections, as yet, had not gone to the people, as nothing that I had said had been reported—such was my solicitude to defeat the bill without extending our divisions beyond the walls of the House, in the then critical condition of the country. My object was to arrest the measure, and not to weaken confidence in the administration.

In making the supposition, I had not the slightest anticipation of peace. England had been making extensive preparations for the ensuing campaign, and had made a vigorous attack on New-Orleans, which had just been repelled; but, by a most remarkable coincidence, an opportunity (strange as it may seem) was afforded to test the truth of what I said. Late in the evening of the day I met Mr. Sturges, then a member of Congress from Connecticut. He said that he had some information which he could not withhold from me; that a treaty of peace had been made; and that it had actually arrived in New-York, and would be here the next day—so that I would have an opportunity of testing the truth of my prediction. He added, that his brother, who

had a mercantile house in New-York, had forwarded the information to him by express, and that he had forwarded the information to connected houses in the Southern cities, with directions to purchase the great staples in that quarter, and that he wished me to consider the information as confidential. I thanked him for the intelligence, and promised to keep it to myself. The rumor, however, got out, and the next day an attempt was made to pass through the bill; but the House was unwilling to act till it could ascertain whether a treaty had been made. It arrived in the course of the day—when, on my motion, it was laid on the table; and I had the gratification of receiving the thanks of many for defeating the bill, who, a short time before, were almost ready to cut my throat for my persevering opposition to the measure. An offer was then made to me to come to my terms, which I refused, declaring that I would rise in my demand, and would agree to no bill which should not be formed expressly with the view to the speedy restoration of specie payments. It was afterwards postponed, on the conviction that it could not be so modified as to make it acceptable to a majority. This was my first lesson on banks. It has made a durable impression on my mind.

My colleague, in the course of his remarks, said, he regarded this measure as a secret war waged against the banks. I am sure he could not intend to attribute such motives to me. I wage no war, secret or open, against the existing institutions. They have been created by the legislation of the States, and are alone responsible to the States. I hold them not answerable for the present state of things, which has been brought about under the silent operation of time, without attracting notice or disclosing its danger. Whatever legal or constitutional rights they possess under their charters ought to be respected; and, if attacked, I would defend them as resolutely as I now oppose the system. Against that, I wage, not secret, but open and uncompromising hos-

tilities, originating not in opinions recently or hastily formed. I have long seen the true character of the system, its tendency and destiny, and have looked forward for many years, as many of my friends know, to the crisis in the midst of which we now are. My ardent wish has been to effect a gradual change in the banking system, by which the crisis might be passed without a shock, if possible; but I have been resolved for many years, that should it arrive in my time, I would discharge my duty, however great the difficulty and danger. I have thus far faithfully performed it, according to the best of my abilities, and, with the blessing of God, shall persist, regardless of every obstacle, with equal fidelity, to the end.

He who does not see that the credit system is on the eve of a great revolution, has formed a very imperfect conception of the past and anticipation of the future. What changes it is destined to undergo, and what new form it will ultimately assume, are concealed in the womb of time, and not given us to foresee. But we may perceive, in the present, many of the elements of the existing system which must be expelled, and others which must enter it in its renewed form.

In looking at the elements at work, I hold it certain, that in the process there will be a total and final separation of the credit of Government and that of individuals which have been so long blended. The good of society, and the interests of both, imperiously demand it, and the growing intelligence of the age will enforce it. It is unfair, unjust, unequal, contrary to the spirit of free institutions, and corrupting in its consequences. How far the credit of Government may be used in a separate form, with safety and convenience, remains to be seen. To the extent of its fiscal action, limited strictly to the function of the collection and disbursement of its revenue, and in the form I have suggested, I am of the impression it may be both safely and conveniently used, and

with great incidental advantages to the whole community. Beyond that limit I see no safety and much danger.

What form individual credit will assume after the separation, is still more uncertain—but I see clearly that the existing fetters that restrain it will be thrown off. The credit of an individual is his property, and belongs to him as much as his land and houses, to use it as he pleases, with the single restriction, which is imposed on all our rights, that it is not to be used so as to injure others. What limitations this restriction may prescribe, time and experience will show; but, whatever they may be, they ought to assume the character of general laws, obligatory on all alike, and open to all; and under the provisions of which all may be at liberty to use their credit, jointly or separately, as freely as they now use their land and houses, without any preference by special acts, in any form or shape, to one over another. Every thing like monopoly must ultimately disappear, before the process which has begun will finally terminate.

I see, not less clearly, that, in the process, a separation will take place between the use of *capital* and the use of *credit*. They are wholly different, and, under the growing intelligence of the times, cannot much longer remain confounded in their present state of combination. They are as distinct as a loan and an indorsement; in fact, the one is but giving to another the use of our capital, and the other the use of our credit; and yet, so dissimilar are they, that we daily see the most prudent individuals lending their credit for nothing, in the form of indorsement or security, who would not loan the most inconsiderable sum without interest. But, dissimilar as they are, they are completely confounded in banking operations, which is one of the main sources of the profit, and the consequent dangerous flow of capital in that direction. A bank discount, instead of a loan, is very little more, as I have shown, than a mere *exchange of credit* —an exchange of the joint credit of the drawer and indorser

of the note, discounted for the credit of the bank in the shape of its own note. In the exchange, the bank insures the parties to the note discounted, and the community, which is the loser if the bank fails, virtually insures the bank; and yet, by confounding this exchange of credit with the use of capital, the bank is permitted to charge an interest for this exchange, rather greater than an individual is permitted to charge for a loan, to the great gain of the bank and loss to the community. I say loss, for the community can never enjoy the great and full benefit of the credit system, till loans and credits are considered as entirely distinct in their nature, and the compensation for the use of each be adjusted to their respective nature and character. Nothing would give a greater impulse to all the business of society. The superior cheapness of credit would add incalculably to the productive powers of the community, when the immense gains, which are now made by confounding them, shall come in aid of production.

Whatever other changes the credit system is destined to undergo, these are certainly some which it must; but when, and how the revolution will end—whether it is destined to be sudden and convulsive, or gradual and free from shock, time alone can disclose. *Much will depend on the decision of the present question, and the course which the advocates of the system will pursue.* If the separation takes place, and is acquiesced in by those interested in the system, the prospect will be, that it will gradually and quietly run down, without shock or convulsions, which is my sincere prayer; but if not—if the reverse shall be insisted on, and, above all, if it should be effected through a great political struggle (it can only so be effected), the revolution would be violent and convulsive. A great and thorough change must take place. It is wholly unavoidable. The public attention begins to be roused throughout the civilized world to this all-absorbing subject. There is nothing left to be controlled but the mode

and manner, and it is *better for all* that it should be gradual and quiet than the reverse. All the rest is destiny.

I have now, Mr. President, said what I intended, without reserve or disguise. In taking the stand I have, I change no relation, personal or political, nor alter any opinion I have heretofore expressed or entertained. I desire nothing from the Government or the people. My only ambition is to do my duty—which I shall follow wherever it may lead, regardless alike of attachments or antipathies, personal or political. I know full well the responsibility I have assumed. I see clearly the magnitude and the hazard of the crisis, and the danger of confiding the execution of measures in which I take so deep a responsibility, to those in whom I have no reason to have any special confidence. But all this deters me not, when I believe that the permanent interest of the country is involved. My course is fixed. I go forward. If the administration recommend what I approve on this great question, I will cheerfully give my support ; if not, I shall oppose ; but, in opposing, I shall feel bound to suggest what I believe to be the proper measure, and which I shall be ready to back, be the responsibility what it may—looking only to the country, and not stopping to estimate whether the benefit shall inure either to the administration or the opposition

REMARKS

On the Passage of the Bill to grant Pre-emption Rights to actual settlers on the Public Lands, made in the Senate, January 27th, 1838

MESSRS. WEBSTER, Bayard, and Fulton, having concluded their remarks, Mr. Calhoun said :—]

HE had remained silent during this discussion, from the conviction derived from the experience of the last session, that all opposition would be unavailing. Nor did he rise now with the least expectation of changing the vote of a single Senator—but simply to state the grounds of his objections.

If the passage of this bill would terminate the Pre-emption System, he, for one, would not object to it ; for he felt, with the Senator from Massachusetts (Mr. Webster), that, under the influence of the passage of similar bills, many persons had made improvements on the public lands, of which it would be almost cruel to deprive them ; and he regretted that the Senator, who had turned his attention to the subject, and who was so well qualified for the task, had not incorporated some provision in the bill, to terminate the system, as he was as much opposed to its continuance as himself. Had he done so, the bill would have received his support ; but, as it is, he was compelled to vote against it.

Considering it, then, as a continuation of a system of passing acts, from time to time, to give to the occupant a pre-emption in the sale of the public lands, he would ask—when and how the system is to terminate ? The passage of every additional bill but confirmed and strengthened it. The same exigency under which this is passed, would in-

crease the necessity of passing another hereafter—and that, a subsequent one—until it would terminate in the surrender of the public domain to those who could first seize on it; unless some means should be adopted in time to terminate the system. Now, Sir, if this surrender would be to the poor, but honest and industrious settlers—giving to each the one hundred and sixty acres of vacant land on which he might settle first—to be a home for himself and family—he would have no great objections. But would this be the end? Would it benefit the man with many children and but little money, who might desire to emigrate to the West, in order to improve the condition of himself and family? His opinion was, that its termination would be directly the reverse. Instead of benefiting the poor and honest emigrant, the system would operate, in the end, to the almost exclusive benefit of the rich, the strong and the violent. Let it be once firmly and universally fixed in the public mind—as it surely will be under its operation—that the public lands belong, of right, to those who can first seize on them; and the result will be that, the moment a treaty is held to extinguish the Indian title to a tract of land—and long before it is submitted to us for our ratification—an armed body of men, acting for themselves, or with speculators, will rush into it, and make themselves masters of the country; and will exact more from the poor and peaceable emigrant for the liberty of *settling*, than the United States would for the *quiet fee-simple of the soil.*

If he was correctly informed, the Iowa country had been already seized on by a lawless body of armed men, who had parcelled out the whole region, and had entered into written stipulations to stand by and protect each other—and who were actually exercising the rights of ownership and sovereignty over it—permitting none to settle without their leave—and exacting more for the license to settle, than the Government does for the land itself. In confirmation of this, he

would ask the Secretary to read a letter which he had received from an emigrant to that region with a view to settlement—and how he fared there, the letter would show. In desiring it to be read, he had no expectation that it would have any influence over the votes of the members. His object was to turn the attention of the Senate to the actual state of things in that quarter—in the hope that something would be done to provide against the evil in future, and to put an end to a system that led to such results.

[Here Mr. C. handed the letter to the Secretary to be read; but after various objections to it, unless the name of the writer was given up,—which Mr. C. refused to do, from the hazard to which the disclosure might expose the writer,—he finally withdrew it.]

He said,—as the reading of the letter was objected to, without the name of the writer, he would not press it, but would give a very brief summary of its contents. He (the writer) stated, that he emigrated with a view to make a settlement;—that the country consisted of a small portion of woodland to a large portion of prairie; that the latter was only valuable in connection with the former;—that the woodland had been seized on by large bodies of armed men, who had marked out and designated their respective possessions, and entered into written stipulations for mutual protection. He says further, that he was driven about from place to place, without being permitted to form a settlement;—that he finally offered to purchase a place, for which a most extravagant price was asked,—and was, at last, compelled to purchase at a rate far beyond the Government price. The individual wrote like a man of intelligence and sense. He stated that his life had been menaced;—and that he had been informed that the lives of several intruders had paid the forfeit.

Whether these things were so or not, he did not vouch; but he felt a certain conviction that such must be the final

.termination of the system, if it has not already arrived at this stage; and on these grounds, among others, he was opposed to it. He had no objection to people emigrating to the West, in the hope of bettering their condition; and if it were possible to pass a prospective law,—giving to every man who might desire to settle on 160 acres of land, with a view to improve and cultivate it, a pre-emption right,—without opening a field for speculation and violence, he knew not that he would object to it. It would be almost unnatural in him to be opposed to the brave and hardy pioneers. He was the immediate descendant of one who spent all the active and vigorous portion of his life on the frontier, and won his home by his courage, from the savage enemy; and he had, therefore, a feeling in common with those whose interests were the proposed objects of this bill. He objected to it, because it would not effect this object.

He had another and strong objection to perpetuating the system. So long as it continued, it was impossible to prevent questions in relation to the public domain from running into and controlling the party politics of the day. The stake was too great to be drawn into party struggles; and ought to be withdrawn without delay;—or, otherwise, it would, in a short time, be gambled away by the combatants for power. The system, as it stands, operated well enough in the infancy of the Republic,—when the new States constituted so small and unimportant a portion of the Union. When he first entered into public life, there were but three new States,—including Kentucky and Tennessee with Ohio;—but now there were nine;—excluding the two first,—which now might be considered as old States. These young offsprings of ours have already eighteen out of fifty-two Senators on this floor; and, with the co-operation of eight more from the old States, had one-half of the Senate. Instead of repining at this state of things, he rejoiced at it. He gloried in their wonderful and unparalleled growth. They

are our descendants; and he considered the vast and mighty West, but as the inheritance of our posterity,—bestowed on us by a kind Providence, for our settlement and improvement. But he could not close his eyes to the fact, that this mighty and still rapidly progressing change made a thorough and radical change in our land system indispensable. So long as the present state of things continues, you will have eighteen solid votes from the new States for a continuance of the pre-emption system, with the whole weight and influence of the public domain constantly bearing perniciously on our party struggles. Of this he became fully convinced, during the discussion on the Land Bill at the last session; in which he took an active part. The result then, satisfied him that, so long as the present state of things continued, it was impossible to prevent the incessant agitation of the subject of the public lands, or the passage of any particular law, which either the new States, or party considerations might bring forward. It was useless to complain or resist. It grew out of the nature of things, and must continue so long as that continued.

Under these impressions, he turned his attention, at the last session, towards a remedy; and, after careful investigation, he could discover but one; and that was, to place the new States in such a condition as to the public lands within their respective limits, as would identify their interests with those of the old; and for this purpose, he introduced a bill to cede to them the public lands within those States, under certain conditions which were intended to secure the rights and interests of the old States, and to place the whole system under a solemn compact between the Government and the new States, in order to give it stability and uniformity. His reflections, and the additional experience derived from the present discussion, had satisfied him that there ought to be no delay in effecting a change; and he thought the one he then offered was the best that could be devised. But he was

not tenacious; and if there were a better, he hoped it would be presented. He would cheerfully surrender his own scheme for one that might promise an equal or more effectual remedy for the growing evil.

He said, he felt much reluctance in making a first move on the subject. He knew that, whoever brought forward a measure of this kind, would expose himself to the imputation of ulterior and selfish motives; and though he was conscious that he was not actuated by any such,—as he desired nothing of the Government or the people,—he had been peculiarly liable to such imputations. It was the more strange that he should be,—as he had shown so little regard to popularity or favor, as to take, for the last ten years (under a sense of duty), the course most likely, of all others, to render one unpopular. Still, he could not exempt himself from such imputations, though he felt there was so little justice in them that, when duty demanded, he had but little concern between a popular and unpopular act.

Not desiring, for these reasons, to take a lead in proposing a remedy, he would wait and see whether any other Senator, more competent or conversant with the subject, would. But, if none such would venture forward, he would not shun the responsibility of again offering, for the consideration of the Senate, the bill he introduced at the last session,—as the only remedy, in his opinion, capable of reaching the disease.

REMARKS

Made during the Debate on his Resolutions, in respect to the Rights of the States and the Abolition of Slavery,—December 27th, 1837, *et seq.*

[In Senate, Dec. 27, 1837, Mr. Calhoun submitted the following resolutions.

1. *Resolved*, That in the adoption of the Federal Constitution, the States adopting the same, acted severally, as free, independent and sovereign States; and that each, for itself, by its own voluntary act, entered into the Union with the view to its increased security against all dangers, *domestic*, as well as foreign,—and the more perfect and secure enjoyment of its advantages, natural, political and social.

2. *Resolved*, That, in delegating a portion of their powers to be exercised by the Federal Government, the States retained, severally, the exclusive and sole right over their own domestic institutions and police, —and are alone responsible for them; and that any intermeddling of any one or more States, or a combination of their citizens, with the domestic institutions and police of the others, on any ground, or under any pretext whatever, political, moral or religious,—with a view to their alteration or subversion, is an assumption of superiority, not warranted by the constitution;—insulting to the States interfered with,—tending to endanger their domestic peace and tranquillity; subversive of the objects for which the constitution was formed; and, by necessary consequence, tending to weaken and destroy the Union itself.

3. *Resolved*, That this Government was instituted and adopted by the several States of this Union as a common agent, in order to carry into effect the powers which they had delegated by the constitution for their mutual security and prosperity; and that, in fulfilment of their high and sacred trust, this Government is bound so to exercise its powers, as to give, as far as may be practicable, increased stability and security to the domestic institutions of the States that compose the Union; and that it is the solemn duty of the Government to resist all attempts by one portion of the Union to use it as an instrument to at-

tack the domestic institutions of another, or to weaken or destroy such institutions, instead of strengthening and upholding them, as it is in duty bound to do.

4. *Resolved*, That domestic slavery, as it exists in the Southern and Western States of this Union, composes an important part of their domestic institutions, inherited from their ancestors, and existing at the adoption of the constitution, by which it is recognized as constituting an essential element in the distribution of its powers among the States; and that no change of opinion or feeling, on the part of the other States of the Union in relation to it, can justify them or their citizens in open and systematic attacks thereon, with a view to its overthrow; and that all such attacks are in manifest violation of the mutual and solemn pledge to protect and defend each other, given by the States respectively, on entering into the constitutional compact which formed the Union,—and, as such, is a manifest breach of faith, and a violation of the most solemn obligations, moral and religious.

5. *Resolved*, That the intermeddling of any State or States, or their citizens, to abolish slavery in this District, or in any of the territories, on the ground, or under the pretext, that it is immoral or sinful—or the passage of any act or measure of Congress with that view, would be a direct and dangerous attack on the institutions of all the slaveholding States.

6. *Resolved*, That the Union of these States rests on an equality of rights and advantages among its members; and that, whatever destroys that equality, tends to destroy the Union itself; and that it is the solemn duty of all, and more especially of this body, which represents the States in their corporate capacity, to resist all attempts to discriminate between the States in extending the benefits of the Government to the several portions of the Union; and to refuse to extend to the Southern and Western States any advantage which would tend to strengthen, or render them more secure;—or to increase their limits or population, by the annexation of new territory or States, on the assumption, or under the pretext that the institution of slavery, as it exists among them, is immoral or sinful, or otherwise obnoxious, would be contrary to that equality of rights and advantages which the constitution was intended to secure alike to all the members of the Union; and would, in effect, disfranchise the slaveholding States, by withholding from them the advantages, while it subjected them to the burdens of the Government.

The resolutions having been read by the Secretary, a debate arose, which continued until the 12th of January following. Mr. Preston suggested that they be allowed to lay over, to await the resolutions of the State of Vermont. The settlement, he thought, of mere abstract principles, would not answer the desired end; and he proposed to bring the matter forward in some more forcible and effective form. Mr. Calhoun, in reply, said: This was a brief and direct mode of reaching the subject. He did not feel disposed to await any action on the Vermont resolutions. He was prepared to act now; and as the resolutions contained the whole gist of the matter at issue, he saw no reason for delay. He hoped there would be no opposition to the motion to print, as it would enable members more readily to determine what course it would be proper to pursue, let the subject come in whatever shape it might. The motion to print was then agreed to.

Dec. 28, 1837.—Mr. Norvell having presented a series of resolutions in relation to the same subjects embraced in those of Mr. Calhoun, the latter rose and said:—]

In calling up the resolutions which he had submitted on yesterday, it was not his intention, at the present time, to enter into any discussion of their merits or demerits, but merely to meet the objections which might be urged against them. The resolutions spoke, definitely and on all points, for themselves. This Confederacy consisted of free, sovereign, and independent States—each vested with supreme and indisputable rights. Some there were, however, who considered this a great National Republic, made up of individuals, with rights common to all; and of this class might be deemed the party termed abolitionists, in the North. It was the object of these resolutions to bring forward the facts, and display them in their true light. He wished the deep deliberation of every Senator, as he desired to make the question, on their rejection or adoption, a *test* question. All present—every Senator, without exception—had confessed himself opposed to the fanatical doctrine of abolition; yet the South had no rallying point on which to stand; and although their measures were justified by a great portion of

the North, yet there was among them another party, zealous in the cause of abolition, chiming aloud under the sacred right of petition. Many, doubtless, have been drawn into this snare, who, in the first instance, were *conservative* in their views. Whatever might be the diversity of opinion of this great country on other points, on the matter now at issue no one could disagree. These resolutions, if adopted, would present grounds on which all could stand, and express their real opinions, without trenching on, or affecting the rights in dispute on other points. In regard to the right of slavery, his opinion was unalterable; and he felt it an insult to have his rights attacked on the question. He hoped the Senate would take sufficient time to discuss calmly the subject; and that each Senator would express his own individual opinion.

He did not desire that these resolutions should pass by a bare majority; he wished them to pass by an unanimous vote. Be this, however, as it might,—he would repeat, what he had before said, that he wished it to be considered as a *test question*. If these propositions were rejected, the Senate will have said to the South,—"*Come here no longer for protection!*" By such a vote, the Senate would legalize a continuance of these assaults. If, on the contrary, they should be adopted, it would be a holy pledge of protection on the part of this body, against all further aggression; but if postponed or evaded, it would be incontrovertible evidence of the unwillingness of the Senate to express an opinion; and consequently must be considered a silent acquiescence in the insults offered to Southern rights and Southern feelings. If adopted, they would have a salutary effect in tranquillizing the public mind. He looked to these resolutions to awake an active spirit in favor of the constitution. The idea that this Republic is made up of one great aggregate of individuals, tended to increase the zeal of these fanatics, and the more rapid spread of their doctrines. The remedy must be

found in the promulgation of opposite doctrines—the true doctrines of the constitution; and, until this course was adopted, we could look for nothing but the continuance of their importunities. When the Republic was in danger, we must look to State Rights (the only true, conservative principles); for, on these depended the preservation of the Union, and any other view must prove fatal to its peace.

The course before the Senate, he (Mr. C.) considered of great magnitude and importance; and hence he did not desire to urge on its progress; and, if no Senator desired to make any other motion, he would move to postpone it to Wednesday next, with the understanding that the Vermont resolutions were not to be presented until a later period; for he was anxious to have a calm and deliberate expression of opinion on the part of the Senate, before the question arose in the opposite shape, and in which it had been already so angrily discussed.

[Mr. Preston here again expressed his desire for more time. He had not seen the resolutions until this morning. He thought it was now too late to reach the extent of the evil by presenting mere abstract questions; though he wished to Heaven they might have that effect. He looked for a remedy in the unbroken phalanx of the South.]

Mr. Calhoun replied, that the object he had in view was to test the state of feeling in the Senate to the extent of the limits proposed in the resolutions. He (Mr. C.) had already stated that his own mind had been long since fixed; he had long seen, and still feared, that the South must find the remedy within herself. He had stated that the resolutions presented common ground. He would not, however, be understood as meaning that this was the ultimate position on which to meet the abolitionists. It was that on which, at present, the opponents of the doctrine could meet. He, for one (and he hoped he had a ready response in the bosom of

every Southern man), would no longer meet, in argument, fanatics, who would violate every moral and political principle to obtain their ends. His object was, to ascertain on what grounds, and in what manner, the South was to assert her rights.

[Mr. Preston here made a short reply. His objection to the introduction of the resolutions was, that they allowed grounds for discussion, and that the subject ought not to be permitted to enter the halls of Congress. Besides, he did not think that abstract propositions would have any effect. He was followed by Mr. Strange of North Carolina, who, though in favor of the principles embodied in the resolutions, regretted that they had been introduced. He desired to avoid discussion, by which he thought the South would suffer. To rush against the waves of the ocean, he said, with the hope of stilling them, would be as the act of a maniac. Why, then, should we attempt it? The proper course, he thought, was for the South to remain still, and pay no attention to the movements of these idle fanatics. Mr. Calhoun, after some remarks from Mr. Swift of Vermont, in defence of the course of his State, replied :—]

The Senator from North Carolina (Mr. Strange) had expressed himself averse to the discussion of this subject; so was every one else; but he ought to *preach* this to the abolitionists, and not to the defenders of the sovereignty of the States. Was it not better to meet the question a little offensively, than not to meet it at all? With regard to the doctrines of the constitution,—all might be well acquainted with them; and yet, how were they observed? Was the South to sit still, and see the constitution trodden under foot, and its principles laid prostrate in the dust? Would it not be better to try and rally in that body all who are orthodox in their views respecting it? Look to the example of the Alien and Sedition Laws. Were those odious measures defeated by sitting still, and quoting the authority of the constitution? Was it not, rather, by a series of brief, summary, and *abstract* resolutions? By this straight-

forward, manly course, we would protect our own rights, and, at the same time, show that it was our aim to defend, to the last, the charter handed down to us by our forefathers.

He wished these resolutions by no means to be considered as strictly a Southern measure. He hoped that the vote which would be given on them, would be a Northern and Western, as well as a Southern vote; and he appealed to the honorable Senator to say, whether a strong vote would not tend to restore, throughout the Union, that confidence so much to be desired? and whether it would not, also, have a tendency to stay this fatal tide of fanaticism?

[After some remarks from Mr. Strange, the question was postponed to Wednesday, as moved by Mr. C.; and, on that day, after the reading of the resolutions by the Secretary, Mr. Calhoun said:—]

He did not rise with a view to discuss the merits of the principles involved in the resolutions, but to controvert the positions assumed by those opposed to them, from their peculiar regard for freedom of speech, freedom of the press, and the *sacred* right of petition. His chief object in urging an early action was, that the ground taken in these resolutions was distinctly different from that assumed by the other side; and the main end of his wish, that the resolutions from Vermont might be postponed, was, that he might meet them in a manner which he deemed most consonant with the duties he owed to the South as an individual, and the relation he bore to the country as a firm and unflinching supporter of the Union. He had remarked, at the time the Vermont resolutions were presented, that, if no other Senator should call them up, he pledged himself to do so. In the mean time, he had consulted with himself as to the best mode of meeting the momentous subject, and had come to the conclusion that the resolutions he had presented were best calculated to mark out the ground on which *all* could meet, and dispassionately and sincerely consult on the interests of the whole.

The resolutions from Vermont were to have been presented to-morrow; and had he consulted his former opinion, he would have voted against their reception; but, coming as they did from a sovereign State (and being himself an advocate of State Rights), he should urge a full and free discussion in regard to them, as having a higher claim than the petitions of infatuated individuals. As an advocate of State Rights, he would not feel himself bound to vote against hearing these resolutions; but as a Southern man, feeling his dearest privileges dangerously assailed, he could not vote for their reception. Thus trammelled as he was, he felt unwilling to leave the field; and in order to secure an opportunity to present his own views, he had prepared these resolutions, as best adapted to the purpose—presenting, as they did, an antagonistic course. His wish was to *test* the entire strength of the Senate on the subject, and to decide whether any neutral ground could be adopted on which to rally, in order to check this dangerous, this fatal doctrine. It was the one, and the *only one*, as he before observed, of sufficient magnitude to endanger the Union. It already had gained force enough to shake our political system to its centre. On the one side, there was a portion of the people of the North, who assert and maintain that our domestic institutions are sinful and immoral. On the other, we claim these institutions as secured to us under the constitution, which we will not suffer them to interfere with; and here is the point at issue. On this subject, there were two modes of action:—the one, to repel attack and aggression; the other, to stay the tide, if possible, by the measure he had proposed.

Mr. C. professed himself a firm and unflinching friend of the Union. He was averse to making professions—but he had, on this subject, been shamefully and grossly misrepresented, here and elsewhere. But here was the occasion for the true friends of the Union to come forward and show themselves. On this subject, he wanted a *direct vote*—such

as was due to the magnitude of the occasion—and that the wishes and feelings of all should be known. If the resolutions were erroneous in principle, let them be voted down; if incorrect in phraseology, let them be amended; but he would ask those who believed them to be correct, to give their cordial support.

[Mr. Morris of Ohio here rose and denounced the resolutions in vehement terms, declaring that they struck at "the freedom of speech—the freedom of the press—and the sacred right of petition." He maintained the Vermont resolutions but uttered the truth when they declared that slavery was "*sinful and immoral;*" and that the State had the right to demand of Congress its abolition in the district—a demand which Congress ought to grant, if it should be thought necessary to the national honor and prosperity. Mr. Allen of Ohio suggested the propriety of striking out the word "*religious*," contained in the resolutions, for reasons which he assigned. Mr. Calhoun objected, declaring that "the whole spirit of the resolution hinged upon that word." Mr. Morris moved to strike out the words "*moral or religious;*" and Mr. Preston suggested that the difficulty might be obviated by modifying the resolution, so as to make it read—"under any pretence whatever." Mr. Calhoun objected, and said:—]

This spirit of abolition was nothing more nor less than that fanaticism, which had carried thousands of victims to the stake. What aroused that demoniacal spirit in past time, but the opinion that the faith of one man was criminal in the eyes of another? Here, the same spirit was attempted to be revived, under the name of abolition; and he trusted the good sense of the country would put it down. It was impossible for him to consent to the suggestion of his colleague. The South had been assailed on the ground that slavery was wicked and immoral; and could we meet the assault by such a milk and water measure as that of "*under any pretext whatever?*" which, to his mind, was depriving it of its very essence. He preferred the specific terms used in the original resolution.

[The debate was further continued, in which Messrs. Buchanan, Allen, Bayard, Young, Lumpkin, and others, participated, when the motion of Mr. Morris was negatived by a vote of 31 to 14. The question was then taken on the first resolution, which was carried—ayes, 31; nays, 13. Mr. Webster then rose and spoke at some length against the resolutions, as containing principles at variance with the correct interpretation of the constitution—and declared that he viewed the doctrines they asserted "as a sweeping declaration against the letter and spirit of the constitution." Mr. Calhoun briefly rejoined; and after some remarks by Messrs. Young, Southard, and Davis, the question was taken on the second resolution, which was carried—ayes, 31; nays, 9. The Senate then adjourned; and on the day following, Mr. Norvell moved an amendment to the third resolution, then under consideration, which, after some discussion, Mr. Calhoun acceded to. Mr. Smith of Indiana then moved a proviso designed to embarrass the passage of the resolution, which was debated with some warmth and at considerable length; when Mr. Allen of Ohio moved to amend the proviso, by striking out all after the word "*provided*," and inserting "that nothing in the foregoing resolutions is intended to recognize the right of Congress to impair in any manner the freedom of speech, or of the press, or the right of petition, as secured by the constitution to the citizens of the several States, within their States respectively." Mr. Calhoun expressed his willingness to vote for the amendment; and it was subsequently adopted. Other efforts were made for purposes of embarrassment, and an excited discussion arose, in which various Senators participated; when Mr. Benton moved to refer the whole subject to a select committee. On this Mr. Calhoun rose and said:—]

He hoped the motion would not succeed. Much progress had already been made in the discussion. The first two—and leading resolutions, which went to the character of our political system, had already been voted on; and, if he might judge from indications on all sides, the discussion on the third had nearly terminated. The three succeeding were, in fact, deductions from these;—on which, he hoped, there would not, after what has already been said, be much diversity of opinion.

Should the motion prevail, he would consider it but a

mode of getting rid of the resolutions. He had offered them as the antagonist of the Vermont resolutions, and to ascertain whether, in the opinion of the Senate, there was any constitutional ground, adequate to resist the assaults on our rights and property, on which the slaveholding States could stand. The discussion had clearly shown that there was none other. On the right of rejecting abolition petitions, although, in his opinion, one of the clearest that could be imagined, we of the South were, unfortunately for the peace of the country, in a minority. So, also, on the question of the constitutional right of abolishing slavery in this district and the territories, and also on every other particular question which has been attempted to be raised on constitutional grounds as a barrier to our rights and security. What remains, then, short of taking our protection into our own hands, but to find some barrier in the general character and structure of our political system? And where can we find that but in the view of the constitution, which considers it as a compact between sovereign and independent States, formed for their mutual prosperity and security.

If we required proof that these resolutions assumed the only constitutional ground which could give peace and quiet to the country, and security to the South and West, it would be found in this debate. He had challenged, again and again, those who took a different view of our system, to point out where protection could be found in the constitution, according to their conception of that instrument. None had been, or even attempted to be shown. It would, then, be in vain to refer the resolutions, to discover some new principle in the constitution calculated to effect the object for which they were introduced. Nor would it be more useful to refer them, to modify the language or the details. They were abstract resolutions, involving little or no details; and he had again and again owned his readiness to make the language acceptable to all, as far as it could be, without

sacrificing the principles on which they rest; of which he had given already abundant proof, and was prepared to give additional. But the Senate must remember, that the difficulty heretofore encountered did not originate so much in any objection to the principles of his resolutions, nor to the details, or any particular expressions, as the desire to engraft additional matter entirely foreign to their nature or object, and the consequence of which would be to obstruct their passage, or to neutralize their effects if they should pass. This difficulty could not be avoided; and a reference, so far from diminishing, would but tend to increase it. Thus thinking, he was constrained to conclude that a reference would be fatal to the resolutions, be the object of the mover what it might; and, with this impression, should the motion succeed, he would leave them to their fate; and, like the mover, he would decline acting on the committee, should he be appointed a member.

In assuming States' Rights grounds as the basis of his resolutions, and calling a rally, at this solemn and dangerous juncture, of that great, though, in a measure, dormant party, which has ever professed the States' Rights creed, he did not intend to imply that gentlemen opposite to him, or the party to which they belonged, were abolitionists, or disposed to countenance their creed. On the contrary, he believed that the great mass of the party was sound, and adverse to the dangerous projects of the fanatics; but candor compelled him to declare that he could not look to them in this hour of danger. We had their good wishes, it is true. They were even willing to vote it inexpedient and dangerous to agitate the subject; but, when we touched the constitution, and asked them what barrier, according to their conception, that instrument contains against their incendiary and mad projects, they are silent. Their political creed not only admits of none, but, in fact, rouses into action that dangerous spirit of fanaticism which threatens to subvert our institutions.

He would repeat here what he had so often said. This fell spirit originated in that blind, fanatical zeal which made one man believe that he was responsible for the sins of others; and which, two centuries ago, tied the victim that it could not convert to the stake. After lying long dormant, it is now resuscitated in another form, with no abatement of its blind fury or thirst of blood. The same responsibility which the orthodox of former times felt for the sins of his heretic neighbor, which led him to the faggot and the stake, the abolitionist now feels for the new species of heresy, which his imagination has conjured up in the Southern and Western States, to extirpate which, he is ready to drench the whole South in blood. It is this responsibility for what they deem our sins, which has roused this fell spirit into action; and their conception of their responsibility originates in that mistaken conception of our system, which regards it, not as it really is, a union of States for the mutual good and security of each, but a great and consolidated community, in which the States bear the same relation to the whole as counties do to States; and, of course, in which the whole is responsible for all the parts. This is no new opinion with him. He long since foresaw, before this spirit was roused into action, that this false and dangerous view of the constitution would, one day or another, lead to the state of things in which we now find ourselves,—and told the Senator from Massachusetts (Mr. Webster), when he advocated his consolidation doctrines in the discussion on the Force Bill, in 1833, that such would be the consequence, as he must remember.

Thus thinking, the gentlemen opposite must excuse him, if he could not, in the hour of danger look to them. He thanked them for their good feelings, and he accepted their avowal of opposition to abolition with all sincerity; but he wanted something more substantial; something that would not pass away with the present incumbents; some constitu-

tional barrier and guaranty; and for these he was constrained to look to those who professed the opposite political creed. How little reliance we can place on those who take the view of the constitution they do, this debate has furnished ample proof. The Senator from Indiana has been among the most forward to disavow abolition sentiments, and to express his good wishes for us and our institutions, the sincerity of which he (Mr. C.) had no reason to distrust; and yet, while he makes these avowals, he moves amendments to these resolutions, which are intended to exhibit the strength of our cause, in the very language of the perverted creed of the abolitionists, and in which, if he had succeeded, he would, in fact, not only have neutralized all the intended effects of the resolutions, but would have given a triumph and a new impulse to those whose objects he denounced, and to whom he professes to be so much opposed. With this proof before him of the effects of his creed, that Senator, and those with whom he acts, must excuse him if he turns from them to those who profess opposite doctrines, as allies in this great conflict.

I fear, said Mr. C., that the Senate has not elevated its views sufficiently to comprehend the extent and magnitude of the existing danger. It was, perhaps, his misfortune to look too much to the future, and to move against dangers at too great a distance, which had involved him in many difficulties, and exposed him often to the imputation of unworthy motives. Thus he had long foreseen the immense surplus revenue which a false system of legislation must pour into the treasury, and the fatal consequences to the morals and institutions of the country which must follow. When nothing else could arrest it, he threw himself, with his State, into the breach, to arrest dangers which could not otherwise be arrested; whether wisely or not, he left posterity to judge. He now saw with equal clearness, as clear as the noonday sun, the fatal consequences which must follow, if the present

disease be not timely arrested. He would repeat again, what he had so often said on this floor. This was the only question of sufficient magnitude and potency to divide this Union; and divide it, it would, or drench the country in blood, if not arrested. He knew how much the sentiment he had uttered would be misconstrued and misrepresented. There were those who saw no danger to the Union in the violation of all its fundamental principles, but who were full of apprehension when danger was foretold or resisted, and who held not the authors of the danger, but those who forewarned or opposed it, responsible for consequences. But the cry of disunion by the weak or designing had no terror for him. If his attachment to the Union was less, he might tamper with the deep disease which now afflicts the body politic, and keep silent until the patient was ready to sink under its mortal blows. It is a cheap, and he must say, but too certain a mode of acquiring the character of devoted attachment to the Union. But seeing the danger as he did, he would be a traitor to the Union, and those he represented, to keep silence. The assaults daily made on the institutions of nearly one-half of the States of this Union by the other—institutions interwoven from the beginning with their political and social existence, and which cannot be other than they are, without their inevitable destruction, will and must, if continued, make *two people of one*, by destroying every sympathy between the two great sections, obliterating from their hearts the recollections of their common danger and glory, and implanting in their place a mutual hatred, more deadly than ever existed between two neighboring people since the commencement of the human race. He feared not the circulation of the thousand of incendiary and slanderous publications, which were daily issued from an organized and powerful press, among those intended to be vilified. They cannot penetrate our section; that was not the danger; it lay in a different direction. Their circulation in the non-slaveholding

States was what was to be dreaded. It was infusing a deadly poison into the minds of the rising generation, implanting in them feelings of hatred, the most deadly hatred, instead of affection and love, for one-half of this Union, to be returned on their part with equal detestation. The fatal, the immutable consequences, if not arrested, and that without delay, were such as he had presented.

The first and desirable object is to arrest it in the non-slaveholding States; to meet the disease where it originated, and where it exists; and the first step to this is to find some common constitutional ground on which a rally, with that object, can be made. These resolutions present the ground, and the only one, on which it can be made. The only remedy is in the State Rights doctrines; and, if those who profess them in slaveholding States do not rally on them, as their political creed, and organize as a party against the fanatics, in order to put them down, the South and West will be compelled to take the remedy into their own hands. They will then stand justified in the sight of God and man; and what, in that event, will follow, no mortal can anticipate.

Mr. President, said Mr. C., we are reposing on a volcano. The Senate seems entirely ignorant of the state of feelings in the South. The mail has just brought us intelligence of a most important step taken by one of the Southern States in connection with this subject, which will give some conception of the tone of feeling which begins to prevail in that quarter.

A slave was kidnapped or stolen by some persons belonging to a trading vessel from the State of Maine. The Governor of Georgia demanded a surrender of the fugitive criminals (for such they are, be the motive what it may) under the constitution, from the Governor of Maine. It was not complied with. The Governor of Georgia brought the subject before the legislature. They have, as he understood,

acted on it, and unanimously passed resolutions on the subject; and, among others, one, if the surrender of the fugitives be not made, after another and more solemn demand, providing for the convening of the people of Georgia, in their high sovereign capacity, as a member of the Union, to take the subject into their consideration. All who know that State, know that when she moves, she intends no idle menace.

With these views and facts, I leave it now to the Senate to decide whether the time has not arrived, when they ought to say what attitude they ought to assume in relation to this, the most momentous and dangerous question that has ever agitated this Union.

As to himself, he had done his duty. He had raised his warning voice, regardless of the unworthy imputations to which he knew he exposed himself. He had presented the result of his most mature and deliberate reflection, in order, if possible, to prevent the conflict between the two great sections, which any one capable of reflection must see is approaching, and must take place, if not arrested. He had done his duty. Let what may come, he wished to free himself from all responsibility in the eyes of the country and the world, and of the present and future generations. He was not sanguine, he must say, of the success of the measure, even if it should be adopted. He had presented it as the most likely to do good, and in the desire to do any thing that promised in the least to avert the approaching catastrophe which he was most anxious to avoid. Should the motion prevail, he would take no further control or responsibility, which would then, of course, rest on those who may take the resolutions into their own hands.

[The debate was here continued, during the remainder of the sitting, by Messrs. Norvell, Smith, Lumpkin, Ruggles, Buchanan, Wall, and Morris. Mr. Buchanan suggested the propriety of referring to a select committee (which Mr. Benton had previously moved, but subsequently

withdrew), and spoke at some length on the general topics which had been introduced—deprecating agitation, declaring that, in his opinion, Congress had no authority over the subject, either in the States or district, and concluded by advising Southern Senators to abide by the counsels of those of the North, as they would have to bear the brunt of the battle.

The debate was renewed (January 6), on Mr. Morris's amendment; and Mr. Davis of Mass. spoke at length and with some warmth against the resolutions. During his remarks, he charged that the course heretofore adopted in regard to abolition petitions, was in accordance with the views, and at the instance of Mr. Calhoun. In answer to this charge, and others, Mr. Calhoun said :—]

That, before he should notice such observations of the Senator from Massachusetts (Mr. Davis) as he deemed pertinent to the question before the Senate, he felt it a duty which he owed to himself, to state distinctly the position which he had heretofore held in relation to the subject of these resolutions. It is not true, as the Senator supposes, that my views in relation to the proper course to be taken have prevailed. It is just the reverse. Mr. C. said he had, he believed, been in a standing minority from the time the subject of abolition was first agitated in this body till the introduction of these resolutions; and, although he had steadily objected to the reception of any abolition petitions, so far from taking a lead in laying them on the table, as the Senator stated, he had not, in a single instance, made such a motion. He was, on the contrary, wholly opposed to the course. He had never doubted the folly of the position, that we were bound to receive petitions, but might lay them immediately on the table, without consideration or discussion. In the original debate, he told the Senator from Pennsylvania (Mr. Buchanan), who took a lead in favor of that course, that it was utterly indefensible, and that the reasons he (Mr. B.) assigned to prove that we were bound to receive, would be equally cogent to show that we were bound to refer, report

on, discuss, and decide on them. He also told him what would be the consequences of his false position, all of which have already been realized. The Senator from Kentucky has already taken the precise ground which he foretold would be taken. Nor is the Senator less mistaken in supposing that he has been opposed to the discussion of the subject. He has, it is true, been utterly and unalterably opposed to any discussion with the abolitionists. They have no right to come here, and he was and is for shutting the door in their face; but he never shunned discussion when the subject came fairly up. Nor would he, so long as the Senator's constituents and others continue to agitate the subject; in proof of which, he referred the Senator to the course he adopted in relation to the President's Message, some years since, on the circulation of incendiary publications through the mail. So far from avoiding discussion, he raised a special committee on that portion of the message, and made a full report adverse to the President's views, accompanied by a bill, which gave rise to much discussion. So, now, acting on the same principle, he had presented these resolutions as the antagonist of the Vermont resolutions. He touched on these misapprehensions of the Senator as to his course, the more fully, as there appeared to be a fixed determination of late, both in and out of this Chamber, to mistake his course on this as well as other occasions.

But this is not the only instance of the misstatement of his course by the Senator. He has misapprehended it as much in relation to the subject immediately under discussion. Assuming, erroneously, as he had shown, that his position had been that Congress has no right to agitate or discuss this subject, however presented, he accuses him (Mr. C.) of challenging debate on the present occasion, and says that he (Mr. D.) would have remained silent, had it not been for his challenge. The Senator greatly mistakes in supposing he had made any such challenge, and he thought it would puzzle

him to state when and in what terms it was given. It is true, he stated, that the political creed of the Senator, and those who thought with him, in reference to the origin and structure of our Government, so far from affording any constitutional protection against the assaults of the abolitionists, roused their fanatical spirit into action; and he had, at the same time, called upon the party generally who entertained it, to show, if he was in a mistake as to the effect of their creed, what protection it afforded. If the Senator has construed this into a challenge to discuss these resolutions, he must say he has most signally failed to meet it. He has wholly shunned the point on which it was given. He has not even attempted to show that the view which he and his party take of the constitution, can afford the least protection against the dangers which now so seriously menace the country and its institutions. His silence he had a right to consider as conclusive proof of the truth of his assertion. And the Senator ought not to be surprised if, after this tacit confession, he should turn to those who entertained the opposite constitutional views, and call on them exclusively to rally to the rescue at this hour of danger. The Senator was so conscious of his weakness on this point, that, instead of attempting to point out a remedy, when his political theory afforded none, he took the opposite course, to deny that there was any danger to be repelled. He told us gravely, that the abolitionists were no disunionists—that they had no ambitious objects—no corrupt purpose—that they repudiated all interference with the States—that they only aimed to abolish slavery in the territories and in this district, where there were not more than 2,000 slaves—and that they claimed no right, but to beg you to grant them the innocent and harmless boon they craved (of cutting our throats and burning our houses), and that these beggars were but a handful, of whom a large portion were females. Such is the picture which he gives of this small band of innocents, and the harmless

motives that actuate them; and this, in the face of the constant, uniform, and open avowal, that their object is the total abolition of slavery in the States, as well as in this district and the territories; and that they consider the abolition in the latter but the first step to abolition in the former.

But he had received a letter that very morning from one of the fraternity, of high standing and authority, which gave a very different account of the small corps of humble beggars. He says that they count 1,500 societies, averaging 100 individuals each, and are growing at the rate of one society a day. Here then, we have 150,000 persons regularly organized, with a copious revenue, and an extensive and powerful press (a large portion of whom are the Senator's constituents), who are waging regular war on the institutions of the Southern and Western States—institutions that involve not less than $900,000,000 of property, and the prosperity and safety of an entire section of this Union, in violation of the most solemnly plighted faith, and subversion of the fundamental principles of the constitution; and yet the Senator can see neither harm nor danger in all this. When we see one of his enlightened understanding, and usually correct sentiments, thus thinking and feeling, what must be the tone of those with whom he is daily associated, which could so blind his understanding, and blunt his moral perception?

He next tells us that the abolitionists can do no harm—that their publications cannot circulate in the slaveholding States, and can do no mischief in the non-slaveholding States—that the evil exists here, where too much excitement exists—and that if we would keep perfectly cool and patient, and hear ourselves and constituents called robbers and murderers, and our rights, and property, and lives attacked, without moving hand or tongue, all would be well. Accustomed as he has been, to respect the Senator for his sober and correct judgment and feelings on most subjects, he could not but be surprised at the language which he has held on the present

occasion. Is his judgment so perverted that he can see no danger to the constitution and the Union, for which he professes—and, he doubted not, sincerely—to have so much regard, in the thousands of publications and lectures which are daily issued and delivered, holding up, in the blackest colors, the character and the institutions of nearly one-half of the Union; exciting towards them the deepest feelings of abhorrence, to be returned, on their part, with a detestation not less deep? Is the universal spread of this deep, mutual abhorrence, compatible with the existence of the Union? If not, is it not time to arrest it, and, of course, to deliberate on the means of doing it? Are the Senator's reason and feelings so far warped, either that he cannot apprehend the plainest consequences, or apprehending, is indifferent to them?

But we are next told, for the hundredth time, that these are mere abstract propositions, and not demanded by the occasion; on which account, with various other reasons that he assigns, he cannot vote for them.

It was, he would suppose, perfectly needless for the Senator to assign any reason for voting against these resolutions, or any other measure having the same object in view, after what he had told us of the abolitionists, and the purity and harmlessness of their objects; nor is it at all surprising that he should think that there was no necessity for their introduction. But those who regard the subject in a different light, who see danger where the Senator sees nothing to apprehend, and crime where he beholds innocence, will come to a very different conclusion. They will think it high time that this body should define its position; should declare its opinion as to those unprovoked assaults of one portion of the Union upon the other, and take the stand it intends to maintain in resistance to them; and that the opposite course—to remain silent, or tamper with the disease—is neither becoming its dignity nor its duty.

As to what the Senator has thought proper to say about

the secret mischief lurking under these resolutions, about nullification, and his (Mr. C.'s) bitter experience in relation to it, he understands his object to be, to distract and draw off attention from the real point at issue, and he does not deem it deserving reply. He will pass it in silence, with a single remark. The experience of nullification is indeed bitter; not to those who applied the remedy, and freed themselves from a disease that was preying upon the vitals of the constitution and the South, but to those against whom it was applied, and who were fattening on the industry of the rest of the community. He would tell the Senator that the bitter terms with which he and others of his creed have denounced it, will only serve to endear it to those of an opposite political faith; and instead of putting it down, give to it new vigor and growth.

The Senator asks, Why mingle abolition with political matters? Why with the Texas question? He knew not how to reconcile such questions with the respect which he has entertained for the Senator's intelligence and fairness. Does not the Senator know that we have received hundreds of petitions, and that they continued daily to pour in on us in one incessant stream, praying that Texas may not be admitted, on the ground that it would extend the limits of the slaveholding portion of the Union? Does he not know that a sovereign State of the Union has come here with its resolutions objecting to the annexation on the same ground? Does he not know, that the entire movement on abolition, with the object proposed to be effected, and the means by which it is to be done, involves political and constitutional questions and considerations of the highest possible magnitude, vital to the peace and safety of all? Knowing all this, with what propriety could he ask me the question he did? Does he wish to shift the burden, by making those who repel, and not those who assail, responsible? Does he wish to transfer the odium from those who make war on our

rights and property, to us, who defend them—and this, too, in the face of the most notorious facts?

Brief as has been his notice of the Senator's apology for the abolitionists (for such he must consider his speech), it is much longer than he would have made it, had it not been for the respect which he has had for his talents and character. He cannot consider the course he has pursued in his speech as indicative of his actual feelings and fairness, and is compelled to regard it as indicative of the distempered state of the public sentiment of those he represented. Thus viewed, it affords an important lesson to those he represented. Throughout, not a censure of the abolitionists is whispered. All is excuse, defence, apology. It is we, and not they who are the agitators; it is we, not they, who are the disturbers of the peace and quiet of the country; it is we, not they, who are the assailants; it is we, not they, who harbor ambitious and improper designs; and finally, it is we, not they, who meditate disunion. It is no crime to attack us, but a heinous offence in us to defend ourselves.

January 9th, 1838.

[The Senate resumed the consideration of Mr. Calhoun's resolutions on the relations, &c., of the States and General Government. The question being on the fourth of the series, Mr. Calhoun followed in reply to Mr. Crittenden.]

He said, he was not at all surprised that he and the Senator from Kentucky should take such very different views of the subject. We differ totally as to the facts, and it is not wonderful that we should differ as to the remedy. With such opinions as the Senator entertains, all attempts to resist a thing so innocent and harmless as abolition must appear perfectly useless. He sees no danger in the organization of 150,000 persons into societies, with a powerful press and ample funds, imbuing the rising generation at the North with the belief that the institutions of the Southern States

were sinful and immoral, and that it was doing God service to abolish them, even if it should involve the destruction of half of their inhabitants, who are represented as murderers and pirates. It would be in vain for him to attempt to discuss the subject with the Senator from Kentucky, while he continues to entertain such opinions. But three years since, we considered three hundred societies to be a cause of just apprehension; and now, they number 1,500, and are increasing at the rate of one a day, and the Senator sees nothing to excite attention. To what extent must the disease progress before he can be moved? If it should spread universally over the non-slaveholding States, so that the two sections should consider each other the most odious of the human race, could the Union exist? and, if not, he would be glad to know to what point it must extend before it becomes dangerous, and when we would be justified in resisting it? He would be glad to hear the Senator's answer to this question.

The Senator next objects, that these resolutions are mere abstractions, and therefore worthless. The Senator could not be ignorant of the rise and progress of the important political revolutions recorded in history. And he would appeal to him, if what he calls abstractions did not lie at the bottom of most of them. Have not almost all the revolutions in our parent country, from Magna Charta down to that which placed the present royal family on the throne, originated in abstract principles? Did not our Revolution originate in abstractions of the highest order? We did not wait for actual oppression to rouse us to resistance, but as Burke said, we snuffed the approach of tyranny in the tainted breeze. To come down still later, did not the abstract resolutions of his own State, and that of her honored mother, strike down at a blow the Alien and Sedition Acts to the ground, and effect a revolution which will be felt so long as we are a people? With these striking examples, can

the Senator consider abstractions so very worthless? The fact is, that it is abstract truths only that deeply impress the understanding and the heart, and effect great and durable revolutions; and the higher the intelligence of a people, the greater their influence. It is only the ignorant and the brute creation over whom they have no control.

The Senator next accuses him of inconsistency. He rests his charge on the assertion that I despair, and then infers that he (Mr. Calhoun) acted inconsistently in introducing these resolutions. It was painful to be misrepresented as frequently as he was in debate. He had never uttered the language of despair, though he had often said that the dark and fell spirit now abroad in the non-slaveholding States, would end in a catastrophe, if not arrested. If it continued to advance without resistance, it would terminate in disunion or civil commotion. It was unavoidable. But he had never said that it could not be arrested, if timely met, and in the decided manner it should be. He had also said that the battle must be fought in the North, or the South must take the remedy into its own hands. Others had said the same, and for using this language, the Senator comes to the conclusion that he despaired, and on this slender foundation, arises the charge of inconsistency. In the same spirit, he charges him as using angry and violent language, because he had thought proper to draw up the resolutions in strong and decided terms, and defended them in the same terms in debate.

The Senator next takes offence, because he relied on the State Rights party to oppose the abolitionists in the non-slaveholding States, and asks if, by the State Rights party, was meant the small party under a tattered and torn banner? He supposed the Senator meant the nullifying party; and, if so, he feared it would be a very unequal contest in the Northern States.

[Mr. Crittenden explained. Mr. Calhoun resumed.]

He used the expression on another occasion, and in a more restricted sense than when he used it on the present.

The Senator next inquired, what was meant by the State Rights party. He did not expect the inquiry from that quarter; but as it was made, he would reply to it. He meant the party who believed that this was a Federal Republic, a Republic, the constituent parts of which were States; in contradistinction to a national consolidated republic, in which the constituent parts were the aggregate mass of the American people, taken collectively, and in which the States bore the same relation to the whole as counties do to the States.

He is next accused by the Senator with charging all who were not of the State Rights party as being abolitionists. This has as little foundation as the other charges of the Senator. So far from making such a charge, he expressly stated, again and again, that he acquitted the great mass of all parties of abolition, and that he believed that we have the good wishes of the great body of the national or consolidated party, and who were ready to vote that it was inexpedient to touch the subject of slavery. But he also stated, when he looked for a constitutional remedy, he was compelled to turn to the State Rights party, in whose creed only it could be found. If, then, he looked to one party, instead of both, it was simply because the political creed of the one furnished a remedy, and the other did not: and has not this debate furnished incontestable proof of the truth of his assertion? Others had taken offence at the same declaration, and he called on them to refute what he had asserted, by laying resolutions on the table framed in their view of the constitution, which would oppose the slightest constitutional barrier against the encroachments of the abolitionists. None had been, and he had a right to infer none would be. But he would rejoice to have his impressions corrected, if erroneous, and to have the co-operation of both parties; and would now call on the Senators who differed from him on the federative

character of our system, to submit resolutions, as substitutes for his, that would oppose an effectual constitutional barrier to the doctrines of the abolitionists. He was not so much attached to his own, but that he would cheerfully surrender his for others of equal force.

We are next told by the Senator, that the term "direct" is not correctly applied; as an attack on slavery in this district or the territories, cannot be a direct attack on slavery in the States. He believed, notwithstanding the objection, that the epithet could be fairly defended. The avowed object of the abolitionists, in attacking slavery in this district and the territories, was to attack and destroy it in the States; and is as much a direct attack, as firing a train to blow up a magazine, would be an attack on the magazine itself. But as such discussion would lead to metaphysical niceties, he would, to accommodate the Senator, agree to strike out the word, and make it read, "a dangerous attack on all the slaveholding States;" which would not be much less strong.

It is finally objected by the Senator, that the expression "intermeddle" was disrespectful, when applied to the States. He did not think so. It was used in the general, without designating any State; and he thought the Senate had not only a right to use it, but was called on by the circumstances in which it was placed, to define its position and declare its opinion, in reference to the interference of one portion of the confederacy with the peculiar institutions of the other. It had unquestionably the right to say what was its conception of such interference, whether it was consistent with the constitution, with the peace and harmony or existence of the Union, or not—and no State had a right to consider such a declaration as an offence. But he was anxious to modify his resolutions, so far as phraseology was concerned, so as to suit others, and would yield, without hesitation, the word "intermeddle," and substitute in its place, "any attempt." It would not vary the sense, nor weaken the expression mate-

rially—while, he trusted, it would entirely remove the objection of the Senator to the resolution.

[Mr. Preston suggested to the mover, to strike out the words "on the ground or under the pretext that it was immoral or sinful," and insert, "on any pretext whatever."]

Mr. Calhoun objected to striking out the words referred to by his colleague; they met the abolitionists directly; but would accept as a modification the words he proposed to add.

[Mr. Preston moved further to insert the words, "also a violation of the public faith implied in the cession of this district by the States of Virginia and Maryland."]

Mr. Calhoun had always been of the opinion that any interference with slavery in this district, would not only be a violation of the public faith with the States of Virginia and Maryland, but would also be a direct violation of the eighth amended article of the constitution. He had not, however, thought proper to assert it, as he knew that there was a majority in the Senate of a different opinion, and as his object was to place the question on no particular portion of the constitution, but on its general character and structure, which he thought was much stronger and much less liable to be disputed. He would neither object nor assent to the proposed modification, and would leave it, without further remark, to the decision of the Senate.

[Mr. Preston's second amendment was then agreed to.

Mr. Clay, after some remarks on the general subject, read the following resolutions, and in conclusion, moved the third of the series as an amendment to the fifth resolution proposed by Mr. Calhoun:

"*Resolved*, That the institution of domestic slavery, as now existing in many of the States of this confederacy, is subject to the exclusive power and control of those States respectively; and that no other State, or the people of any other State, nor Congress, possesses, or can rightfully exercise, any power or authority whatever, to interfere in any manner therewith.

"*Resolved*, That if any citizens of the United States, regardless of the spirit of peace, harmony, and union, which should ever animate the various members of the confederacy, and their respective citizens, shall present to the Senate any petitions touching the abolition of slavery in any of the States in which it exists, all such petitions shall be instantly rejected, without debate, and without further or other proceedings thereon, as relating to an object palpably beyond the scope of the constitutional power of Congress.

"*Resolved*, That when the District of Columbia was ceded by the States of Virginia and Maryland to the United States, domestic slavery existed in both of those States, including the ceded territory; and that, as it still continues in both of them, it could not be abolished, within the district, without a violation of that good faith which was implied in the cession, and in the acceptance of the territory; nor, unless compensation were made to the proprietors of slaves, without a manifest infringement of an amendment to the constitution of the United States; nor without exciting a degree of just alarm and apprehension in the States recognizing slavery, far transcending, in mischievous tendency, any possible benefit which would be accomplished by the abolition.

"*Resolved therefore*, That it is the deliberate judgment of the Senate, that the institution of domestic slavery ought not to be abolished within the District of Columbia; and it earnestly hopes that all sincere friends of the Union, and of harmony and general tranquillity, will cease to agitate this disturbing question. But the Senate feels itself, at the same time, constrained, from a high sense of duty and respect to the constitutional right of petition, to declare that it holds itself bound to receive and respectfully to treat any petitions, couched in decorous language, which may be presented by citizens of the United States, touching slavery in the District of Columbia.

"*Resolved, therefore*, That it would be highly inexpedient to abolish slavery in Florida, the only territory of the United States in which it now exists, because of the serious alarm and just apprehensions which would be thereby excited in the States sustaining that domestic institution; because the people of that territory have not asked it to be done, and when admitted, as a State, into the Union, will be exclusively entitled to decide that question for themselves; and, also, because it would be in violation of a solemn compromise, made at a memorable and critical period in the history of this country, by which, while slavery was prohibited north, it was admitted south of the line of thirty-six degrees and thirty minutes north latitude.

"*Resolved*, That no power is delegated by the constitution, to Congress, to prohibit, in or between the States tolerating slavery, the sale and removal of such persons as are held in slavery by the laws of those States.

"*Resolved*, That, whilst the Senate, with painful regret, has seen the perseverance of certain citizens of the United States in the agitation of the abolition of domestic slavery, thereby creating distrust, and discontent, and dissatisfaction among the people of the United States, who should ever cherish towards each other fraternal sentiments, it beholds with the deepest satisfaction every where prevailing an unconquerable attachment to the Union, as the sure bulwark of the safety, liberty, and happiness of the people of the United States."

Mr. Calhoun followed.]

He said he felt some inducement to persevere in the course he had heretofore pursued, by now seeing the concessions which were proposed by the resolutions just read by the Senator from Kentucky. Mr. C. now saw it conceded, that where the object was clearly unconstitutional, the Senate was not bound to receive a petition. At first, the broad ground was taken that the right of petition was so sacred that any refusal to receive a petition, no matter on what subject, and no matter how objectionable its language, would be an invasion of it. Now it was conceded that they were not bound to receive a petition when the subject of it was clearly unconstitutional. Now, as to the amendment offered by the Senator from Kentucky to the fifth resolution. He would state, in general terms, what was the great characteristic difference between them. The Senator went on the principle that concession was the way to meet these abolitionists. He, on the other hand, went on the ground that we have no safety but in standing fast on our rights. What was the state of the question? The abolitionists tell you, in so many words, that their object is to abolish slavery in the District of Columbia, as but one step towards final abolition in the States. With this object, avowed by the abolitionists, what do duty and policy demand on our part? We see the end; and that, if it can be effected, it would be our destruction. Shall we yield or stand fast? That is the question. If we yield an inch, we are gone. The very ground on which we are asked

to make the first concession will be urged on us with equal force to make the second, the third, and every intermediate one, till the last is consummated. The first is to yield the right of petition, and to discuss the subject with the abolitionists, in order to appease them, and to stop agitation. This the Senator from Kentucky (Mr. Clay) urges on us, which he tells us would have a happy effect in quieting the public feeling. Does he not see that, if we should have the folly to make this concession, we will be next urged to yield the abolition of slavery in this district on the very same grounds? We will be told that there are but two thousand slaves in the district, and if we yield to so small a request, all will be quiet. If that be conceded, we will be next told, we must yield to the abolition in the territories, and then to the abolition of what they call the slave-trade between the States, and, finally, to abolition in the States. At every step they would become stronger, and we weaker, if we should be so infatuated as to make the first concession; and the Senator from Kentucky, at each step, would no doubt be able to read just such a letter as he had just read, from some well-intentioned but weak individual from the North, telling us, if we would only yield the immediate point at issue, all will be quiet, and that our cause would be strengthened. No; there never was a question agitated where the most unyielding opposition was so necessary for success. The difference between him and the Senator from Kentucky was as wide as the poles. That gentleman was for concession, and he was utterly opposed to all concessions in any shape or form; and for this reason he was decidedly opposed to his amendment. It was now too late in the day to go into the subject further, and he would conclude by repeating, what he had so often said, that while he was ready to yield to any modification going to the mere phraseology, he would not agree, under any circumstance, to surrender the principles on which they were drawn.

[Mr. Clay, in reply, after noticing the objection urged against his resolutions, as containing a principle of concession, alluded to the coincidence of opinion which formerly existed between himself and Mr. Calhoun, as to the War, the Tariff, Internal Improvement, a National Bank, etc., and closed by deprecating the frequent allusion to the possible dissolution of the Union.]

Mr. Calhoun replied, that if he had really been inconsistent, as the Senator supposes, in reference to the Bank, he might find a justification in the example of the Senator himself. The only difference between them would be, that the Senator had changed from an anti-bank to a bank man, and he from a bank to an anti-bank man.

The subject of the Bank, and the consistency of himself and the Senator, had been gratuitously introduced, and did not belong to the question under consideration; but as the Senator had thought proper to make the charge of inconsistency, he felt called on to repel it.

He, then, had never been, in any proper sense of the term, a bank man; as he had been opposed to the system ever since he had formed a deliberate and mature opinion in relation to it. It is true, he supported the chartering of the late Bank of the United States, in 1816; but it is no less true that he was opposed to the system at the time, and so expressed himself in his opening speech on the question. In supporting the Bank, then, he yielded to what he believed to be the necessity of the case, growing out of the connection between the Government and the banks—a connection which originated before his time, and was beyond his control. He then said, that so long as that connection existed—so long as the Government received and treated bank-notes as gold and silver—it was bound to regulate their value; and that a Bank of the United States was the only efficient and legitimate means of effecting it; and such is still his opinion.

If, then, his course in 1816, and now, was different in

relation to the Bank, it must be traced to a change of circumstances, and not to a change of opinion. At the former period, the connection between the Government and the banks existed, with no prospect of its termination, or the possibility of rescinding it; but now, fortunately, it has ceased by operation of law; and he, for the first time since he had been in public life, was free to take a position in reference to the Bank in conformity to his principles. Four years ago, on questions growing out of the removal of the deposits, he explicitly avowed his opinion, in the strongest terms, against the system. If this was the only charge of inconsistency that could be brought against him in a long political life, he had reason, certainly, to congratulate himself as not being inconsistent; and he certainly had as much right to accuse the Senator of separating from him, as he had to make the charge against him.

But the Senator is not content with making the charge of inconsistency. He makes the grave accusation against him of alluding to the possible dissolution of the Union; but, fortunately for him, there was but slight difference between the Senator and himself in reference to this accusation. We both speak of the possible dissolution of the Union; the Senator, when the Bank is the subject of discussion; and he, when abolition. That is all; and he might, with as much justice, charge the Senator with hostility to the Union, as he had him.

But the Senator tells us, that we set out in public life together; that we travelled a long time the same road, but have separated. He believed it was true, that we both set out on the same principles, and in the same party. We both professed, at the start, the doctrines of 1798, and belonged to the republican party; and it is true that we are now separated. He left it to the world to judge which had departed from the original faith. It was not a question for the Senator and him to decide.

Wednesday, January 10, 1838.

[The Senate resumed the consideration of the fifth of these resolutions, together with the substitute offered yesterday, by Mr. Clay, in relation to slavery in the District of Columbia and the territories.

Mr. Calhoun rose and said :—]

He had examined the amendment of the Senator from Kentucky (Mr. Clay), which had been offered as a substitute for the fifth resolution, and it was impossible for him to bring his mind to give it his support, or to vote for it, if it should be adopted in any thing like its present shape. He would very briefly state his reasons.

It, in the first place, entirely abandoned the territories to the abolitionists. His fifth resolution covered both this district and the territories; but the amendment wholly omitted the latter, and left them, defenceless, to the invasion of the foe.

He next objected, that it conceded, by almost necessary implication, the right of Congress to appropriate the public funds to purchase and emancipate slaves; a concession among the most dangerous and unconstitutional that could be made. If once admitted, it would be very easy to complete the end the abolitionists have in view, and that wholly at our expense. If we yield that point, the work will soon be consummated.

His next objection was, that it impliedly admitted it to be the duty of Congress to receive and discuss petitions to abolish slavery in the district,—in his opinion a most unfounded and dangerous assumption; but he had so fully expressed his opinion on that point, on former occasions, that he would not now occupy the time of the Senate in repeating the reasons for his opinion.

He finally objected, that the tone of the amendment, and of the remarks with which it was ushered in, was altogether too low for the subject and the occasion. He was adverse to all violence of language, in the expression of legislative

opinions; but when the subject was one of such unprovoked outrage on one-half of the States of the Union, and so pregnant with disastrous consequences to all, he could not reconcile it to his impression of propriety to speak in the low and subdued tone of the amendment.

For these reasons he could not vote for the amendment, should it be substituted for his fifth resolution, unless greatly modified and strengthened.

[Mr. Clay, in reply, attempted to show that his resolution was not amenable to these objections; when Mr. Buchanan inquired if he was to understand the Senator from Kentucky as having modified his resolution. Mr. Clay said he would readily do so, as it appeared that it would render the resolution more acceptable to the Senate. Mr. C. accordingly struck out that part of the resolution, relating to compensation to the owners of slaves. Mr. Hubbard then called for the reading of the original resolution. Mr. Clay said that there was one observation peculiarly applicable to the resolution under consideration. He believed that we had but one territory, that of Florida; and how could we assert that the abolition of slavery in the District of Columbia, and the territories of the United States, would be a violation of faith, implied in the cession of the district, since Florida was acquired twenty years after the cession?]

Mr. Calhoun said that the part of the resolution referred to by the Senator from Kentucky was inserted as an amendment offered by his colleague. He presumed that his colleague referred to the District of Columbia only.

[Mr. King of Alabama approved of the resolution as amended, and said, "If the Senator from Kentucky will further modify his amendment, so as to include the territories, setting forth in explicit terms, that, to abolish slavery in them, would be unjust to the inhabitants, calculated to excite just apprehensions of the slaveholding States, and dangerous to their domestic institutions, he believed it would do much to quiet the public mind; and he hoped, with this modification, the honorable Senator from South Carolina would consent to accept it." Mr. Clay then modified the resolution, so as to meet the views of Mr. King.]

Mr. Calhoun said he could appeal to the Senate, that he had shown throughout this discussion a liberal spirit of concession, and a perfect readiness to make any modification of these resolutions that did not sacrifice the principles on which they were based. Further he could not go, and he had hoped that none of the friends of those principles, who had thus far supported him, would ask him to go further; and it was with profound regret that he had heard the remarks of the Senator from Alabama (Mr. King). He would tell him, to vote for this amendment, to strike out the fifth resolution, and substitute what the Senator from Kentucky (Mr. Clay) proposes, even as now modified, would be an utter abandonment of the entire ground assumed in the resolutions already adopted. The great and governing principles which pervade all these resolutions are, non-interference on the part of any of the States or their citizens with the institutions of the other States, and the non-discrimination on the part of this Government (the common agent of the States) in reference to the institutions of the several States—principles that lie at the foundation of our political system—principles which cannot be departed from without bringing the whole superstructure to the ground—principles which place slavery in this district, or wherever it may exist in the territories, under the same broad shield that protects it in the States. To attack it in one State would be to attack it in all; and in like manner, and for the same reason, to attack it here, or in the territories, is to attack it in the States; and this the fifth resolution, now proposed to be stricken out, directly affirms. He regarded slavery, wherever it exists throughout the whole Southern section, as one common question, and as much under the protection of the constitution here, and in the territories, as in the States themselves; and herein lies our only safety. Abandon this, and all is abandoned.

He would tell the Southern Senators, if these great prin-

ciples be abandoned, theirs will be the responsibility. If they yield—if even a small portion, one or two, yield in the slaveholding States, the members from the non-slaveholding States must yield. They cannot do otherwise. You force them to do it. How can they stand up, when you abandon your position? How can they defend themselves at home, when told that even Southern members had surrendered the ground? Let not the fallacious hope of drawing in votes, of uniting all, induce a surrender of the strong and impregnable position we occupy. There is no hope but in meeting the danger, and it is better to stand alone, without a vote beyond the slaveholding States, than to surrender an inch of ground. But such will not be the alternative. If we stand fast, all who agree with us from every quarter—all who hold to our political creed, will ultimately rally around our principles and the constitution; but, on the contrary, if we surrender our ground, in order to bring in the timid and those of an opposite creed, we will lose all. The timid will become more timid, and those of a different political faith, in spite of all the concessions you may make, will, in the hour of trial, be found in the opposite ranks; and thus principles and supporters, all will be lost. Be it remembered—be it held fast in our recollection, that the fifth resolution has been so modified, as to phraseology, as to make it acceptable, he believed he might say, to nearly all; and that if it be struck out, it could not but be considered as an abandonment of the principles which pervade these resolutions, and an adoption of those contained in the amendment, as far as this district and the territories were concerned.

He ought not, perhaps, to be surprised that Senators should differ so widely from him on this subject. They did not view the disease as he did. He saw working at the bottom of these movements the same spirit which, two centuries ago, convulsed the Christian world, and deluged it in blood; that fierce and cruel spirit of persecution which originated

in assumed superiority and mistaken principles of duty, that made one man believe that he was accountable for the sins of another, and that he was the judge of what belonged to his temporal and eternal welfare, and was bound, at the peril of his own soul, to interfere to rescue him from perdition. Against this fell and bloody spirit it was in vain to interpose this amendment. Something higher, more sacred, appealing more deeply to the heart and understanding, must be offered; and let him tell Southern Senators, that if they should surrender the impregnable position assumed in the original resolutions, and place their hope in mere inexpediency, the time will come when they will bewail their folly in sackcloth and ashes. An inflexible adherence to our principles and our rights, and a decided and emphatic tone, equally remote from violence or concession, only can save us. The deluded agitators must be plainly told that it is no concern of theirs what is the character of our institutions; and that they must not be touched here, or in the territories, or the States, by them or the Government; that they were under the guardian protection of the constitution, and that we stood prepared to repel all interference, or disconnection, be the consequence what it might.

It had pleased Providence, said Mr. Calhoun, to cast his lot in the slaveholding States. There were his hopes, and all that was near and dear to him. His first duty was to them, and he held every other, even his obligations to this Government and the Union, as sacred as he regarded them, subordinate to their safety. He knew he would be assailed, both here and elsewhere, for this avowal; but he had long been accustomed to such assaults. They had no terror for him. It would take something much more formidable to compel him to suppress his sentiments, or drive him from the performance of what he believed to be his duty, than the pens of hired scribblers, or the denunciations of an organized press.

Before he concluded his remarks, he would call on the Southern Senators to bear in mind that the first battle is to be fought in this district and in the territories; and that, by carrying these points, the abolitionists hoped to carry them in the States. To yield here, or in the territories, is to give ground where the two lines come into conflict; to give the first victory to the foe, with all the fatal consequences which usually follow a defeat on the first encounter. With these reflections, he would ask, he would make a solemn appeal to his associates from the South: which presented the more impregnable position on these exposed points—the high and lofty ground of non-interference and non-discrimination assumed in the fifth resolution, or that of inexpediency in the amendment now proposed as a substitute? And he would ask, on what motive of policy, or duty, would they surrender the stronger and occupy the weaker—give up the constitution, and rely on expediency?

He saw, said Mr. C., in the question before us the fate of the South. It was a higher than the mere naked question of master and slave. It involved a great political institution, essential to the peace and existence of one-half of this Union. A mysterious Providence had brought together two races, from different portions of the globe, and placed them together in nearly equal numbers in the Southern portion of this Union. They were there inseparably united beyond the possibility of separation. Experience had shown that the existing relation between them secured the peace and happiness of both. Each had improved; the inferior greatly; so much so, that it had attained a degree of civilization never before attained by the black race in any age or country. Under no other relation could they coexist together. To destroy it was to involve a whole region in slaughter, carnage, and desolation; and, come what will, we must defend and preserve it.

This agitation has produced one happy effect, at least—it

has compelled us of the South to look into the nature and character of this great institution, and to correct many false impressions that even we had entertained in relation to it. Many in the South once believed that it was a moral and political evil. That folly and delusion are gone. We see it now in its true light, and regard it as the most safe and stable basis for free institutions in the world. It is impossible with us that the conflict can take place between labor and capital, which makes it so difficult to establish and maintain free institutions in all wealthy and highly civilized nations where such institutions as ours do not exist. The Southern States are an aggregate, in fact, of communities, not of individuals. Every plantation is a little community, with the master at its head, who concentrates in himself the united interests of capital and labor, of which he is the common representative. These small communites aggregated make the State in all, whose action, labor, and capital is equally represented and perfectly harmonized. Hence the harmony, the union, and stability of that section, which is rarely disturbed, except through the action of this Government. The blessing of this state of things extends beyond the limits of the South. It makes that section the balance of the system ; the great conservative power, which prevents other portions, less fortunately constituted, from rushing into conflict. In this tendency to conflict in the North, between labor and capital, which is constantly on the increase, the weight of the South has and will ever be found on the conservative side ; against the aggression of one or the other side, whichever may tend to disturb the equilibrium of our political system. This is our natural position, the salutary influence of which has thus far preserved, and will long continue to preserve our free institutions, if we should be left undisturbed. Such are the institutions which these deluded madmen are stirring heaven and earth to destroy, and which we are called on to defend

by the highest and most solemn obligations that can be imposed on us as men and patriots.

[The debate was further continued by Messrs. King, Clay, and Allen; after which, Mr. Clay called for the yeas and nays on his amendment as modified, and it was adopted—Yeas, 19; noes, 18.

The question then occurring on the amendment as amended, Mr. Buchanan inquired if the question was divisible. The Vice-President replied, that according to parliamentary rules, the question at its present stage was not divisible.]

Mr. Calhoun said he had no doubt that the adoption of Mr. Clay's resolution originated, in a great measure, from a desire to get a very strong vote. He thought he saw it at the time; and now the result showed that he was not mistaken. But Mr. C. now hoped that those Senators who had heretofore voted for his resolutions, would continue to give him their support in adhering to the fifth one, unless they found some objection to the phraseology, which, he repeated, he was willing to alter. This resolution was drawn up to meet the Vermont resolutions, which went on the ground that slavery ought to be abolished in the District of Columbia, because it was immoral and sinful. His resolutions met those of Vermont on these grounds; and unless the gentlemen intended to meet them on other grounds, they must continue to vote with him. All he asked of the Senate was to say yea or nay. Will you meet the Vermont resolutions? And if you do not, let our institutions be constantly open to such attacks, on the grounds that they are sinful and immoral.

[After a few remarks by Messrs. Clay of Alabama, Preston and Strange, the question was taken, on a motion of Mr. Strange, to reconsider the vote on adopting Mr. Clay's substitute, and carried. Mr. Clay's resolution then came up as an original question.

Mr. Buchanan said he wished a distinct vote to be taken upon that portion of the amendment, as modified by the Senator from Connecticut (Mr. Niles), which related exclusively to the District of Columbia,

and he supposed this would only be obtained by striking out all that portion of the amendment which related to Florida and the Indian country. In making this motion, he desired to be distinctly understood. He did not wish to prevent a direct vote on this second portion of the resolution. Upon this motion the question was taken and carried—Ayes, 24; noes, 19.

The debate was further continued by Messrs. Buchanan, Webster, and Clay; whereupon]

Mr. Calhoun said that he should succeed in one object he had in view, when he introduced these resolutions—to ascertain the sense of the Senate on the subject of abolition, and how far it was disposed to take ground against it. They embraced two leading propositions that he had hoped to carry out—that neither a State, nor its citizens, had a right to interfere with the peculiar institutions of the other States; and that this Government, as a common agent of the States, had no right, in any of its acts, either in this district or elsewhere, to discriminate between the domestic institutions of the slaveholding and non-slaveholding States, by favoring one and opposing the other, on any ground whatever. Whatever may be the private feelings of those vested with public authority, they are bound, in their official character, to regard all as equally under the protection of the constitution, and equally unexceptionable. To act on the opposite principle, of suppressing one, and advancing the other, must necessarily end in the most deadly and fatal conflict between the parts of this Union.

These were the elevated and strong grounds assumed in the resolutions, and he regretted that they should have been departed from in this resolution as amended. Thus regarded, he should vote for it with much reluctance. The amendment offered by the Senator from Connecticut (Mr. Niles), had removed many of the objections he had to that offered by the Senator from Kentucky, to which it would have been impossible for him to give his assent; and, even as it stood, he

should vote for it only on the ground of preserving harmony and union among those whom he believed to be opposed to the abolitionists, as far as he could without an entire sacrifice of principles.

[The question was then again taken on the first branch of Mr. Clay's substitute, and carried—Ayes, 36; noes, 9.]

Wednesday, January 11th, 1838.

The Senate resumed the consideration of the resolutions submitted by Mr. Calhoun on the 27th December, in relation to domestic slavery, the question being on the second branch of Mr. Clay's substitute to the fifth resolution, which had been struck out, and reinstated on Mr. Buchanan's motion as follows:—

Resolved, That it would be highly inexpedient to abolish slavery in Florida, the only territory of the United States in which it now exists, because of the serious alarm and and just apprehensions which would be thereby excited in the States sustaining that domestic institution; because the people of that territory have not asked it to be done, and, when admitted as a State into the Union, will be exclusively entitled to decide that question for themselves; and, also, because it would be in violation of a solemn compromise, made at a memorable and critical period in the history of this country, by which, while slavery was prohibited north, it was admitted south of the line of thirty-six degrees and thirty minutes north latitude; and, also, against the treaty stipulation with Spain of 22d February, 1819, which guarantees the right of property.

On motion of Mr. Sevier, so much of the resolution was struck out as related to slavery among the Indian tribes—Yeas, 31; nays, 10.

Mr. King also proposed, that so much of the resolutions as related to the compromise, be stricken out; which was done. Mr. Hubbard then called for the yeas and nays, on the resolution as modified, which were accordingly ordered.

Mr. Calhoun said, that the yeas and nays having been ordered, he wished to state why he could not vote for the resolution as amended.

The main reason assigned in the resolution as it now stands, why slavery should not be abolished in Florida, was,

that it would be highly inexpedient. He regarded the reason as wholly fallacious, and that it would be of not the slightest force in staying the tide of abolition. We must bear in mind, that the two points towards which the abolitionists are directing their attacks, were this district and the territories. These they considered our weak points; and they were sanguine in the belief, and that not without reason, if they can effect their objects there, the main difficulty in their way would be surmounted. With this knowledge, our policy ought to be to strengthen and fortify those points most effectually. Now, Sir, the main barrier which the Senator from Kentucky (Mr. Clay) proposes to throw around the territories in this amendment is, that it is inexpedient to abolish slavery in Florida. Will this oppose any obstacle to the assaults of the foe? Let us see how it will operate. An abolition petition to abolish slavery in the territories is presented to an individual in the non-slaveholding States for his signature. He is opposed to the object, and refuses to sign. He is asked his objections. He answers, in the language of his amendment, that, in his opinion, it is highly inexpedient. He then is asked, Do you not consider slavery a political evil? Do you not consider it immoral? Do you not consider it sinful? He answers, Yes; for such will be the answer of nine in ten in the non-slaveholding States. Now mark the reply. He is next asked, How can you justify yourself in refusing to put down what you acknowledge to be immoral, sinful, and a great political evil, on the ground that it is inexpedient? The question is overwhelming, and the petition is signed and a convert made. To stay its progress, far higher grounds must be taken; grounds as high as those assumed by these deluded madmen, and which will show them that, while they are acting in the name of morals and religion, they are violating plighted faith, and subverting the entire fabric of our political system; and, as such, are

guilty of violating the most solemn obligations, political, moral, and religious.

Mr. C. next objected, that he disliked the designation of the particular territory of Florida. The abolitionists asked to abolish slavery in the territories; and we reply, that it is inexpedient to abolish it in Florida, assigning for a reason, that it was our only territory in which slavery existed. They made a general demand extending to all territories that now are, or may be hereafter created; and we meet this broad and sweeping prayer with the modest answer, that it is inexpedient to abolish it in Florida. In giving this diffident response, are we afraid of offending, or are we indisposed to commit ourselves as to territories hereafter to be created?

He regarded the grounds assumed in the resolution, as amended, worse than useless. They are calculated not to repel, but to attract attacks.

He was glad that the portion of the amendment which referred to the Missouri compromise had been struck out. He was not a member of Congress when that compromise was made; but it is due to candor to state, that his impressions were in its favor; but, it is equally due to it to say, that, with his present experience, and knowledge of the spirit which then, for the first time, began to disclose itself, he had entirely changed in his opinion. He now believed that it was a dangerous measure, and that it has done much to rouse into action the present spirit. Had it then been met with uncompromising opposition, such as a then distinguished and sagacious member from Virginia (Mr. Randolph), now no more, opposed to it, abolition might have been crushed for ever in its birth. He then thought of Mr. Randolph, as, he doubts not, many think of him now, who have not fully looked into this subject, that he was too unyielding, too uncompromising, too impracticable; but he had been taught his error, and took pleasure in acknowledging it.

With these views, said Mr. C., he could not vote for the resolution as it stood; and they were greatly strengthened, when he contrasted it with his fifth resolution, which has been struck out to insert this. That resolution declares, that any attempt, by any State or States, or their citizens, or any act or measure of Congress, to abolish slavery in this district, or the territories, on the ground that it was immoral, or sinful, or otherwise obnoxious, was a dangerous attack on the domestic institutions of all the States. Now, said Mr. C., what have we done? What have Southern Senators done? Struck down the strong barriers which placed this district and the territories under the same high constitutional protection with the States themselves, and which made an assault on them an assault on *all* the slaveholding States, and have erected in their place the most feeble of all barriers, that of mere inexpediency. Why was this done? Was it because the resolution struck out asserted any thing false in fact or principle? No one pretended to say so. No; it is time to speak out—to tell the truth; it was because there was more dread of wounding the feelings of the abolitionists than the people of the slaveholding States. They are more intent on our destruction than we for our own safety. They mark and punish, by withholding their votes, and throwing them in the opposite scale, all who dare oppose them; while a feeling of indifference and inattention prevails on the part of the people of the slaveholding States.

Thus regarding the resolution as it stands, he was placed in a position which he did not often occupy. He could not vote for it, for the reasons he has stated; and he would not vote against it, for reasons which must be apparent to all; and he was, of course, constrained not to vote at all.

[Mr. Clay, in reply, noticed the objections of Mr. Calhoun, and stated the language of Mr. Randolph, which was understood as proposing that the Southern delegation should retire, and leave the Gov-

ernment in the hands of the North, and closed by urging a more conciliatory course.]

Mr. Calhoun replied, that the Senator from Kentucky (Mr. Clay) must know that he referred to the compromise alluded to in the amendment, which limited the boundary of the slaveholding States in the West to thirty-six degrees thirty minutes. He made no allusion, nor expressed any opinion on the second compromise, on which the Senator dwelt so long; nor was it necessary, on the present occasion, to do so; nor did he intend to approve of the language used by Mr. Randolph on the occasion to which the Senator referred; for nothing would be more unjust than to apply it on the present occasion. He believed that most of the Senators from the non-slaveholding States had gone as far as they could, consistently with their opinion of what was due to the feelings and temper of those they represented. He asked them not to go further. His object was to see how far they believed they might safely advance, on constitutional grounds, in taking a stand against agitators.

The first four resolutions were well sustained, although they took the highest constitutional ground; but on the fifth, which involved the same principles with the preceding, he regretted to say, there has been a giving way. The constitutional ground is abandoned, and that of mere inexpediency substituted. But in this he saw no change of opinion on the part of those Senators from the non-slaveholding States, who had so firmly stood by him on the first four resolutions. He attributed it wholly to a deference to their constituents, and it was that which so deeply impressed him with the diseased state of the public sentiment in that section, and the extent of the danger to which the country is exposed.

The Senator from Kentucky asserted that my fifth resolution abandoned the constitutional ground as to this district and the territories, and asks if there is any one who

denies the right of Congress to abolish slavery here, or in the territories. Yes, said Mr. C., he denied it, and also that the fifth resolution abandoned the constitutional ground, as asserted by the Senator. So far from that, it placed the protection of slave property here under precisely the same constitutional guaranty, that the first four placed it in the States. In a word, it placed slavery here, and in the territories, under the shield of *all* the slaveholding States, where alone it can be safely placed, and that on principles which he held to be impregnable. The first four resolutions taken together, asserted the broad principle of non-interference by a State, or States, or their citizens, with the domestic institutions of other States; and that this great principle of non-interference is particularly applicable to the institution of domestic slavery, as it exists in the South. These have been voted by large majorities, and are therefore fully established, as far as they can be by the vote of this body. The Senator from Kentucky will not then deny this great constitutional principle of non-interference, which lies at the bottom of our political institutions.

Now, Sir, what did my fifth resolution, which has been struck out to make room for the Senator's amendment, assert? It declares that the attempt of any State, or States, or their citizens, or any act of this Government, to abolish slavery in this district, or the territories, on the ground that it is sinful, immoral, or otherwise obnoxious, is a dangerous attack on the domestic institutions of *all* the slaveholding States. Will the Senator deny this? Will he deny that the abolition of slavery here, or in the territories, or an attempt to abolish it, with the avowed object of effecting its abolition in the States, is a dangerous attack on the domestic institutions of slavery in all of the slaveholding States,—a dangerous intermeddling with those institutions within the meaning of the first four resolutions, and, consequently, in violation of the fundamental principles of the

constitution, and subversive of the entire fabric of our political institutions? The next great constitutional principle on which he relied, is that of equality between the States, and non-discrimination on the part of this Government between the States, in reference to their domestic institutions, which applies to the legislation over this district and the territories, as well as to the States themselves. To suppress the domestic institution of slavery in this district, or in territories where it may exist, would be directly contrary to the equality between the slaveholding and non-slaveholding States as members of the Union, and injurious and insulting to the former, and a palpable violation of one of the great fundamental principles of our system. He held it as incontrovertible, that no member of this body, whatever may be his private opinions as to the character of the domestic institutions of any of the States, had, acting in his official character, any right whatever to discriminate between that of one section and another, to the prejudice of either, in reference to their peculiar institutions. All are to be equally regarded and respected. The opposite course would destroy all equality between the different members of the Confederacy, would sow the seeds of discord, and, in the end, destroy the Union itself.

These two great principles, non-interference and non-discrimination, are, as he has often said, the basis of his resolutions; and they comprehended *all*, district and territories, as well as the States themselves. These were broad, and deeply seated in the constitution, and no member has ventured to deny them. Our salvation depended on preserving them inviolate. These, he would repeat, were the high constitutional grounds assumed in his fifth resolution, which had been surrendered for *inexpediency!* The Senator from Kentucky tells us, if we should meet the abolitionists on these grounds, we must come to a direct issue. That is what he desired. He sought a plain and direct issue on constitutional princi-

ples, not with them, but with this body; and such an issue was the only safe and solid gronnd on which the Senators even from the non-slaveholding States can meet abolition at home. The Senator from Michigan (Mr. Norvell) has boldly and nobly told you that it is the only ground on which he can meet it, and that if you should substitute inexpediency for the constitution, you would compel him to go against the resolution. The Senator is right. The constitution—no interference—no discrimination. These are the grounds on which the battle may be safely fought. You must tell these deluded fanatics, you have no right to intermeddle in any form or shape, and that while you accuse others of sin and immorality, you yourselves are guilty of both in such intermeddling. Inexpediency! Think of the folly of attempting to resist the powerful impulses that urge them on to the work of destruction with so feeble a word! You might as well think of extinguishing a conflagration that mounted to the clouds, by throwing a bucket of water on it. Expediency, concession, compromise! Away with such weakness and folly! Right, justice, plighted faith, and the constitution: these, and these only, can be relied on to avert conflict. These have been surrendered for "*inexpediency!*"

He was not satisfied with the explanation which the Senator from Kentucky gave, why the amendment should be limited to Florida. He says, that many of these fanatics are so ignorant, that they are not aware of the fact, that Florida is the only slaveholding territory. If such be the case, how idle would be the whole scheme of the Senator to meet them with arguments! But, badly as he thought of them, he did not think the Senator had done them justice. They were indeed blind and deluded in their warfare on our institutions; but on all other subjects, many of them were as intelligent as the rest of the community, and know as well as he and the Senator how many territories we had, and that Florida was the only one with a slave population. On this point

they knew perfectly what they were about; and in praying that slavery might be abolished in the territories, they intended to establish a general principle, not only that it should be abolished in Florida, where it exists, but that hereafter no territory should be created in which it should not be prohibited. This was clearly their intention; and when the Senator limits it to Florida, he declines to meet this broad issue, and virtually surrenders the whole ground, except Florida, to the abolitionists. One of his leading objects, as he has often said, in moving these resolutions, was to ask the Senate to define its position, in order that his constituents and the world might know what ground this body intends to occupy. He asked none to vote against his judgment or inclination, but to say distinctly by his vote what he intends. If it be intended, then, to surrender all constitutional grounds as to the territories, and place their protection on the ground of inexpediency, and to surrender all territories hereafter to be created, without even the poor protection of this feeble word, vote for the resolution as amended. As to himself, he would give no such vote. He never would consent to place our rights on such frail foundation. He stood on the constitution—on the great principles of non-interference and non-discrimination, and he never would surrender them, and put the question on mere inexpediency. He would leave those who took different views to decide on the resolution as amended, as they might think proper. He would take no part in it, one way or the other.

[Mr. Clay here modified his amendment, on the suggestion of Mr. Hubbard; the most important part of which modification related to the implied breach of faith, by abolition, with citizens who, with their slaves, settle in the United States territories.]

Mr. Calhoun said, he believed the Senator from New Hampshire was willing to go as far as he possibly could in this course. But Mr. C. had set out in this discussion, with

the determination to yield or recognize neither the right of interference, nor of discrimination. But this amendment would yield it, or, at best, it did not assert the contrary right. Mr. C. would neither oppose it nor vote for it; perhaps it was the strongest that could be had, and if so, let it pass. What Mr. C. wanted was, that the Government—the common agent of the States, should define their position, and that the Northern States should be declared to have no right to look into or judge of Southern institutions, or to legislate in relation to them on any ground.

[Mr. Rives, after some remarks, moved to strike out the proposed amendment after the word "*Resolved*," and insert the following as a substitute:

"That any interference with the subject of slavery in the territories of the United States, in which it may exist, is inhibited by all the considerations in regard to the rights and interests of the inhabitants of the said territories, the security of the slaveholding States, and the danger of the Union, which are mentioned in the preceding resolution as forbidding any interference with, or action on, the subject of slavery in the District of Columbia; and for the further reason that the people of the territories, when admitted into the Union, as States, will be exclusively entitled to decide the question of the existence of slavery, within their respective limits, for themselves."]

Mr. Calhoun said that the Senator from Virginia (Mr. Rives) appeared not to be pleased with his determination not to vote for the resolution as it now stood amended. He (Mr. Calhoun) complained of no Senator's course, and none had a right to complain of his. We are acting on a great and dangerous subject; one which will long agitate this country, and have a decided influence on its future destiny. He, for one, was determined throughout to occupy the ground which his judgment and conscience dictated; and he expected and desired others to do the same. At the outset, he stated that he was prepared to modify his resolutions, so as to make them acceptable, as far as he could, without sacrificing the principles on which they rested. These were, as

he had frequently stated, non-interference and non-discrimination, which, in his opinion, could not be abandoned at any point, without a sacrifice of the rights and safety of the South; and, under this impression, he had constantly resisted every attempt to induce him to surrender them.

The Senator seemed to think that he had not, in his fifth resolution, taken constitutional ground. He thought differently; that he had taken the highest and strongest constitutional ground in declaring that interference with slavery in this district, or the territories was a direct (yes, he would repeat an epithet he had yielded to reconcile the Senator from Kentucky, Mr. Crittenden) and dangerous attack on the domestic institutions of all the States; as direct and as dangerous as an interference with slavery in one, would be an interference in all the other slaveholding States; thus placing slavery here, and in the territories, under the same constitutional protection as in the States themselves. He would have added the additional ground, which the Senator had so well explained, and in which he entirely concurred, but he knew that the sense of the body had already been tested in relation to it, and that we of the South were in a minority on it; and his object was to place it on constitutional grounds, still higher and stronger, if possible, and on which he had hoped there would be greater unanimity. As to voting for a resolution placing the question on the ground of inexpediency, the Senators from Virginia and Mississippi must excuse him. He believed it would be fallacious and dangerous, and neither his judgment nor sense of duty would permit him to give it his vote. If we place the question there, we will be overpowered. The whole North, with little exception, would be united against us, and we would be voted down in both Houses, in less than two years; and that on a ground which would not justify the South in taking the remedy into her own hands.

The amendment offered by the Senator from Virginia,

was much better than the resolution as it stood amended. Though it surrendered much (the only strong and tenable grounds, in his opinion), yet it abandoned the feeble ground of inexpediency, and rested the question on something like a principle. With a slight modification, adding a single letter to the resolution, so as to make it plural instead of singular, and to refer to the resolutions already adopted, it would, in a great measure, make it conform to the fifth as he had originally presented it. He hoped the Senator would make the modification. Thus modified, he would willingly give it his vote; and he trusted that the Senators from the non-slaveholding States who had supported his first four resolutions, would give it theirs also.

[After some remarks by Messrs. Preston, Niles, and Walker, the question was then taken on Mr. Rives' amendment, and decided in the negative—Yeas, 10; nays, 29.

The question then recurring on Mr. Clay's substitute, as amended, by striking out the words "ought not," and inserting, that any attempt of Congress to abolish slavery in any of the territories would create serious alarm and just apprehension in the States sustaining that domestic institution—

Mr. Calhoun moved to amend it by inserting the words "dangerous attacks upon the States in which slavery exists."

Mr. Buchanan opposed the amendment.]

Mr. Calhoun said, that the remarks of the Senator from Pennsylvania were of a character he could not permit then to pass in silence. He understood the Senator to say that he (Mr. Buchanan) has been actuated solely by the desire to soothe and tranquillize the feelings of the South, or, in other words, in pity of her weakness and fears.

[Mr. Buchanan shook his head.]

Mr. C. said he would be glad to understand what the Senator did mean.

Was he, then, said Mr. C., to understand the Senator,

that all he said about soothing and tranquillizing the feelings of the South, originated in a belief that these resolutions were intended for that purpose by the mover? If so, he would tell him he was grossly mistaken. She needed not this, nor any other measure, to tranquillize her. She was calm and collected, and instead of being agitated, was too indifferent. She had no fears for herself. She was full of resources, and would, he trusted, be prepared to meet the crisis, whenever forced on her by the injustice or insults of the other portion of the Union. No: these resolutions originated in far different motives—from a sincere desire to prevent, if possible, the shock to which the present current of events was rapidly leading, and which, if not prevented, would bring to the ground the institutions of the country. He was anxious, before it was too late, to present some common constitutional ground, on which the reflecting and patriotic, of every quarter of the Union, might rally to arrest the approaching catastrophe, and avert what at least the North was as much interested to do as the South. A platform for the purpose (if the Senator preferred the word) was indispensable, if it be thought worth while to oppose the coming disasters. It was these high considerations, which embraced the peace, quiet, and safety of the whole country, and not the object that the Senator seemed to suppose, that induced him to introduce these resolutions. If the *common interests of all* be thought not to be involved in the question, tell us so, and we will take care of ourselves. We ask neither pity nor protection.

But the Senator exclaimed, speaking in relation to the two sections of the country, hands off! The North says, hands off, to the South! The Senator, in the name of his constituents, says, hands off, to me, in the name of mine, when he knows what a large portion of them are, daily and hourly, in violation of the constitution, and the most solemnly plighted faith, aiming a most deadly blow, not simply at our

peace and prosperity, but at our very existence as a people! When did the South ever place her hand on the North? When did she ever interfere with her peculiar institutions? When did she ever aim a blow at her peace and security? When did she ever demand more than naked, sheer justice of the Union? Never! never! And can we reverse these questions, and have the same response from the North? With what propriety or justice, then, can the Senator proclaim, hands off, to us—the aggressor to the aggressed?

He must express his regret, that the Senator should be surprised into so hasty a course of remarks. He had habitually indicated, on this dangerous question, correct feelings, and was one of the last from whom he would have anticipated such remarks as fell from him; and he felt assured that, in making them, he had not done justice to his liberal feelings on the subject.

[After some further remarks by Mr. Buchanan in reply, and Messrs. Hubbard, and Walker,]

Mr. Calhoun said, that in compliance with the urgent wishes of his friends, rather than with his own judgment, he would consent to vote for the resolution as amended. It had undergone important modifications, making it out stronger than it was at first; but yet it was still very feeble, and not at all suited to the occasion.

[On taking the question, the resolution as amended, was agreed to —Yeas, 35; nays, 9.

Jan. 12, 1838.

The Senate resumed the consideration of the resolutions, the sixth being under consideration.]

Mr. Calhoun said, that frequent attacks had been made on the resolution under consideration in advance, which he did not think were altogether fair. The Senate had determined to consider each resolution by itself, on its own merits,

beginning at the first. He felt himself bound by the determination, and, of course, did not feel at liberty to repel attacks made on resolutions in advance. We had now arrived at the sixth, and he would say one of the most important in the whole series. He had reviewed it with care, and believed it was critically true and correct in all its parts; and now stood prepared to meet and repel, he trusted successfully, all attacks that might be made on it, from whatever quarter they might come; and that he might present the points distinctly to those who might desire to attack, he would repeat separately the various positions assumed in this resolution.

Its first and fundamental position is, that the Union rests on an equality among the several States that compose it. To support so obvious a truth, he did not deem it necessary to cite various parts of the constitution, which expressly recognized it; nor to refer to the journals of the convention that formed the constitution, nor the debates of the conventions of the States by which it was adopted; all of which would prove that it was constantly acted on as the principle on which the Union rested, and that, as such, it was watched throughout with the greatest care and jealousy. He would ask if there was any one at all conversant with the constitution, or the history of its formation and adoption, prepared to attack this fundamental position?

The next position assumed was, that whatever destroyed this equality tended to destroy the Union itself. One so manifestly and irresistibly true, if the first be conceded, as not to admit of dispute.

The next declares that it is the solemn duty of all, but especially of this body, which represented the States in their corporate capacity, to resist all attempts to discriminate between the States, in the action of this Government, so as to give one an advantage over another, which is no less clear.

The next asserts, that to refuse to extend to the Southern

and Western States any advantage fairly due them, and which might tend to strengthen them, or render them more secure, by extending their limits and population by the annexation of additional territories or new States, on the ground that their domestic institutions were sinful, immoral or otherwise obnoxious, would be contrary to that equality intended to be secured by the constitution alike to all the members of the Union. It claims nothing for the Southern and Western States on account of their domestic institutions. It simply asserts, that to withhold advantages on their account, to which they would otherwise be fairly entitled, would be contrary to the equality to which, as members of the Union, they were entitled. It does not affirm that new territory or States (Texas, in a word) should be annexed. That it left an open question, to be decided whenever it may be presented, on its general merits, in reference to the whole, as well as the adjacent section, and not on the ground of the peculiar character of the domestic institutions of the States of that section, on which the Vermont resolutions and the hundreds of petitions which have been presented place it. If the resolution goes further, or does not fully and unequivocally express what is intended, he stood prepared to modify it so as to place its intention beyond all doubt. All he regarded was the principle, which he deemed not only clear, but all-important, to the slaveholding States, and on that he trusted he would be permitted to have an expression of the opinion of the Senate.

Thus regarded, he would ask if there was any one who would venture to controvert this position?

It is next and finally asserted in the resolution, that to withhold from the Southern and Western States the equality of advantages to which they are entitled, would be, in effect, to disfranchise them, and to subject them to all the burdens of the Government, without its advantges—a proposition too clear to admit of argument or illustration. He had

now stated clearly and distinctly every position taken in the resolution, and he called on the Senator from Kentucky (Mr. Clay), and others who had attacked it in advance, to bring forward their objections now, when the resolution is before us, and when their assaults can be fairly met. All he asked was, that their objections should be specific—no generalities; no abstractions. (They have too deep an abhorrence of abstractions, he was sure, to rely on vague and general assertions.) State the particular position assailed, and make specific objections, and if he should not be able to repel them successfully, he would be more deceived than he ever was,—as he felt the utmost confidence in the correctness and strength of all the positions.

[Mr. Preston then moved to lay the resolution on the table, on the ground that this branch of the subject would be more appropriately discussed in connection with the resolutions introduced by him for the annexation of Texas to the Union, and also because it would be more advantageous to the interests of the South to take the question involved on the Texas resolutions. Mr. P. addressed the Senate in a speech of some length, and with much warmth, in support of the motion.]

Mr. Calhoun said, that he would assure his colleague that he had not the slightest intention to interfere with his resolution in reference to Texas;* nor did he think there could, by possibility, be any interference. They related to different objects. His was introduced, as he had frequently said, as antagonist to the Vermont resolutions, and the various petitions against the domestic institutions of the South. Among other objections, they took position against the annexation of Texas to the Union, on the ground that our peculiar institutions were sinful and immoral. In drawing up these resolutions,

*Mr. Calhoun's resolutions were introduced on the 27th of December, and Mr. Preston's on the 4th of January, on a previous notice, given early in the session.

he felt himself compelled to cover the whole ground assumed against us, and could not by possibility omit so prominent a one as the objection to the annexation of Texas, without a manifest surrender of one of our most important points to the abolitionists; but in covering it, he had drawn up his resolutions in general terms, and had omitted the name of Texas, so as to avoid, as far as possible, any question in relation to it.

The resolution of his colleague was, on the contrary, a direct question of annexation, which opened the whole ground in the broadest view of policy and the constitution. The only effect of the adoption of his resolution would be, to raise one of these questions, and that not the least embarrassing, and as such could have no possible injurious effect on the resolution offered by his colleague. But he understood his colleague to say, that a decision on his (Mr. C.'s) resolution could be had under his, which was broader, and that it would be more easy to get a favorable decision on the whole question, than on the isolated point which he presented.

Mr. C. said he could not but believe that his colleague was mistaken. Even an affirmative decision would not cover the broad and general principle of equality, and would discriminate between the institutions of the States of the Union, which his resolution asserted, and which he believed to be all-important to the slaveholding States to be recognized. Nothing more could be inferred from such a decision than that, under all the circumstances of the case, it was expedient to annex Texas, without a distinct recognition of any one principle on which it might be admitted. But he could not think, with his colleague, that it would be more easy to annex Texas than to pass the resolution under consideration. It presented but a single point, and that so unquestionable as to command the assent of all who did not deny so fundamental a principle of our Union as the political equality of

the members which composed it; while his colleague's presented, and would have to encounter, all the possible objections which could be urged against the annexation, constitutionally; and all objections as to time, as to mode, as to its effect on our relations with Mexico, as to its disturbing the equilibrium of the Union, as to the hazard of extending its present limits, as to its constitutionality, and many others besides the one presented in his resolution. So far from agreeing with his colleague as to the greater relative ease with which his (Mr. P.'s) could be passed, he anticipated that neither his nor his colleague's would be acted on, should the motion to lay on the table prevail. It was well known that Mr. C.'s mind had long since been made up in favor of the annexation. Under any view he could take of it, he believed the union of the two countries was desirable; but he had at all times anticipated much difficulty in the decision of the question, when and however presented.

His colleague had objected to acting on this resolution, on the ground that it would bring up the whole Texan question. He must think that he was mistaken in his supposition. The debate heretofore has been strictly confined to the questions involved in the resolutions; and he saw no reason to believe that there would be a departure on the present occasion. In fact, he could not but think that such a supposition would be an impeachment of the fairness of Senators on the side of the Chamber his colleague occupied. The resolution presented but a single point, and that but incidentally connected with Texas. Its decision involved none of the regular and fair objections that might be urged against its admission. To involve them in the discussion, would be unfair, and would be a tacit confession, on the part of those who should force such topics into the discussion, that his resolution was true, and could not be fairly met. He could not believe the able members, who, he expected, would be opposed to the resolution, would take a course so un-

worthy of them. If they believed the resolution to be true, he expected them to say so, and to vote for it; but, if not, to say so, and to assign their reasons boldly and directly, and not to kill it by arguments foreign to the question.

In conclusion, he expressed his regret that his colleague should think proper to make the motion he did; and would assure him that, whatever might be their difference of opinion on the great political questions of the day, he would, on all occasions, abstain from making any motion to embarrass any measure which he might think proper to introduce.

[After some further remarks from Mr. Preston, the question was taken on his motion to lay the resolution on the table, and it was adopted—Yeas, 35; nays, 9.]

SPEECH

On the Independent Treasury Bill, delivered in the Senate, February 15th, 1838.

I REGARD this measure, which has been so much denounced, as very little more than an attempt to carry out the provisions of the Joint Resolution of 1816, and the Deposit Act of 1836. The former provides that no note but those of specie-paying banks shall be received in the dues of the Government, and the latter that such banks only shall be the depositories of the public revenues and fiscal agents of the Government; but it omitted to make provisions for the contingency of a general suspension of specie payments, such as the present. It followed, accordingly, on the suspension in May last, which totally separated the Government and the banks, that the revenues were thrown in the hands of

the Executive, where it has since remained under its exclusive control, without any legal provision for its safe-keeping. The object of this bill is to supply this omission; to take the public money out of the hands of the Executive, and place it under the custody of the laws, and to prevent the renewal of a connection which has proved so unfortunate to both the Government and the banks. It is this measure—originating in an exigency caused by our own acts, and which seeks to make the most of a change effected by operation of law, instead of attempting to innovate, or to make another experiment, as has been erroneously represented—that has been denounced, under the name of the Sub-Treasury, with such unexampled bitterness.

In lieu of this bill, an amendment has been offered, as a substitute, by the Senator from Virginia, furthest from the Chair (Mr. Rives), which, he informs us, is the first choice of himself and those who agree with him, and the second choice of those with whom he is allied on this question. If I may judge from appearances, which can hardly deceive, he might have said their first choice, under existing circumstances; and have added, that despairing of a National Bank, the object of their preference, they have adopted his substitute, as the only practical alternative at present. We have, then, the question thus narrowed down to this bill and the proposed substitute. It is agreed on all sides, that one or the other must be selected, and that to adopt or reject the one, is to reject or adopt the other. The single question then is, Which shall we choose? A deeply momentous question, which we are now called on to decide in behalf of the States of this Union, and on our decision their future destiny must, in a great degree, depend, so long as their union endures.

In comparing the relative merits of the two measures, preparatory to a decision, I shall touch very briefly on the principles and details of the bill. The former is well under-

stood by the Senate and the country at large, and the latter has been so ably and lucidly explained by the Chairman of the committee in his opening speech, as to supersede the necessity of further remarks on it at this stage of the discussion. I propose, then, to limit myself to a mere general summary, accompanied by a few brief observations.

The object of the bill, as I have already stated, is to take the public funds out of the hands of the Executive, where they have been thrown by operation of our acts, and to place them under the custody of law; and to provide for a gradual and slow, but a perpetual separation between the Government and the banks. It proposes to extend the process of separating to the year 1845, receiving during the first year of the series the notes of such banks as may pay specie, and reducing thereafter, the amount receivable in notes one-sixth annually, till the separation shall be finally consummated at the period mentioned.

The provisions of the bill are the most simple and effectual that an able committee could devise. Four principal receivers, a few clerks, and a sufficient number of agents to examine the state of the public funds, in order to see that all is right, at an annual charge, not exceeding forty or fifty thousand dollars at most, constitute the additional officers and expenditures required, to perform all the functions heretofore discharged by the banks, as depositories of the public money, and fiscal agents of the treasury. This simple apparatus will place the public treasury on an independent footing, and give to the Government, at all times, a certain command of its funds to meet its engagements, and preserve its honor and faith inviolate. If it be desirable to separate from the banks, the Government must have some independent agency of its own, to keep and disburse the public revenue; and if it must have such an agency, none, in my opinion, can be devised more simple, more economical, more effectual and safe than that provided by this bill.

It is the necessary result of the separation—and to reject it, without proposing a better (if, indeed, a better can be), is to reject the separation itself.

I turn now to the substitute. Its object is directly the reverse of that of the bill. It proposes to revive the league of State banks, and to renew our connection with them, and which all acknowledge has contributed so much to corrupt the community, and to create a spirit for speculation, heretofore unexampled in our history.

The Senator (Mr. Rives) in offering it, whether wisely or not, has at least acted consistently. He was its advocate at first in 1834, when the alternative was between it and the recharter of the late Bank of the United States. He then defended it zealously and manfully, against the fierce assaults of his present allies, as he now defends it, when those, who then sustained him, have abandoned the measure. Whether wisely or not, there is something heroic in his adherence, and I commend him for it; but, I fear I cannot say as much for his wisdom and discretion. He acknowledged, with all others, the disasters that have followed the first experiment, but attributes the failure to inauspicious circumstances, and insists that the measure has not had a fair trial. I grant that a second experiment may succeed, after the first has failed; but the Senator must concede, in return, that every failure must necessarily weaken confidence, both in the experiment and experimenter. He cannot be more confident in making this second trial, than he was in the first; and if I doubted the success then, and preferred the Sub-Treasury to his league of banks, he must excuse me for still adhering to my opinion, and doubting the success of his second trial. Nor ought he to be surprised, that those who joined him in the first should be rather shy of trying the experiment again, after having been blown into the air, and burnt and scalded by the explosion. But, if the Senator has been unfortunate in failing to secure the co-operation of those who aided him

in the first trial, he has been compensated by securing the support of those who were then opposed to him. They are now his zealous supporters. In contrasting their course, then and now, I intend nothing personal. I make no charge of inconsistency, nor do I intend to imply it. My object is truth, and not to wound the feelings of any one, or any party. I know that, to make out a charge of inconsistency, not only the question, but all the material circumstances must be the same. A change in either, may make a change of vote necessary; and with a material variation in circumstances, we are often compelled to vary our course, in order to preserve our principles. In this case, I conceive, that circumstances, as far as the present allies of the Senator are concerned, have materially changed. Then the option was between a recharter of the late bank, and a league of State banks; but now the former is out of the question, and the option is between such a league and a total separation from the banks. This being the alternative, they may well take that, which they rejected in 1834, without subjecting themselves to the charge of inconsistency, or justly exposing themselves to the imputation of change of principle or opinion. I acquit them, then, of all such charges. They doubtless think now, as they formerly did, of the measure, which they then denounced and rejected, but which a change of circumstances now compels them to support.

But in thus acquitting them of the charge of inconsistency, they must excuse me, if I should avail myself of the fact—that their opinion remains unchanged—as an argument in favor of the bill, and against the substitute. The choice is between them. They are in the opposite scales. To take from the one is, in effect, to add to the other; and any objection against the one, is an argument equally strong in favor of the other. I then avail myself of their many powerful objections in 1834 against the measure, which this substitute proposes now to revive. I call to my aid, and press

into my service every denunciation they then uttered, and every argument they then so successfully urged against it. They—no, we (for I was then, as now, irreconcilably opposed to the measure) charged against it, and proved what we charged, that it placed the purse and the sword in the same hands; that it would be the source of boundless patronage and corruption, and fatal in its consequences to the currency of the country; and I now avail myself of these, and all other objections, then urged by us, in as full force against this substitute, as if they were again to rise in their places and repeat them now; and of course, as so many arguments, in effect, in favor of the bill; and on their strength I claim their votes in its favor, unless, indeed, still stronger objections can be urged against it. I say stronger, because time has proved the truth of all that was then said against the measure now proposed to be revived by this substitute. What was then prediction is now fact. But whatever objections have been, or may be urged against the bill, however strong they may appear in argument, remain yet to be tried by the unerring test of time and experience. Whether they shall ever be realized must be admitted, even by those who may have the greatest confidence in them, to be, at least, uncertain; and it is the part of wisdom and prudence, where objections are equally strong against two measures, to prefer that which is yet untried, to that which has been tried and failed. Against this conclusion, there is but one escape.

It may be said, that we are sometimes compelled, in the midst of the many extraordinary circumstances in which we may be placed, to prefer that, which is of itself the more objectionable, to that which is less so; because the former may more probably lead, in the end, to some desired result, than the latter. To apply the principle to this case. It may be said that the substitute, though of itself objectionable, is to be preferred, because it would more probably lead to the establishment of a National Bank, than the bill which

is believed to be the only certain remedy for all the disorders that affect the currency. I admit the position to be sound in principle; but it is one exceedingly bold and full of danger in practice, and ought never to be acted on but in extreme cases, and where there is a rational prospect of accomplishing the object ultimately aimed at. The application, in this case, I must think, would be rashness itself. It may be safely assumed, that the success of either, whichever may be adopted—the bill or the substitute—would be fatal to the establishment of a National Bank. It can never put down a successful measure to take its place; and, of course, that which is most likely to fail, and re-plunge the country into all the disasters of a disordered currency, is that which would most probably lead to the restoration of a National Bank; and to prefer the substitute on that account, is, in fact, to prefer it because it is the worst of the two. But is it certain that another explosion would be followed by a bank? We have already had two; and it is far more probable, that the third would impress, universally and indelibly, on the public mind, that there was something radically and incurably wrong in the system which would blow up the whole concern—National Bank and all.

If I might be permitted to express an opinion, I would say to those in favor of a National Bank—you have pursued a course on this subject unfortunate both for yourselves and the country. You are opposed both to the league of banks, and the Sub-Treasury. You prefer a National Bank; and regard it as the only safe and certain regulator of the currency, but consider it, for the present, out of the question, and are therefore compelled to choose between the other two. By supporting the substitute, you will be held responsible for all the mischief and disasters that may follow the revival of the pet bank system, as it has been called, with the almost certain defeat of your first and cherished choice; and those you oppose will reap all the benefits of the power, patronage,

and influence, which it may place in their hands, without incurring any portion of the responsibility. But this is not all. The success of the substitute would be the defeat of the bill, which would, in like manner, place on you the responsibility of its defeat, and give those you oppose all the advantage of having supported it, without any of the responsibility that would have attached to it, had it been adopted. Had a different course been taken—had you joined in aiding to extend the custody of the laws over the public revenues in the hands of the Executive, where your own acts have placed it, and for which you, of course, are responsible—throwing, at the same time, on those to whom you attribute the present disordered state of the currency, the burden of the responsibility—you would have stood ready to profit by events. If the Sub-Treasury, contrary to your anticipation, succeeded, as patriots, you would have cause to rejoice in the unexpected good. If it failed, you would have the credit of having anticipated the result, and might then, after a double triumph of sagacity and foresight, have brought forward your favorite measure, with a fair prospect of success, when every other had failed. By not taking this course, you have lost the only prospect of establishing a National Bank.

Nor has your course, in my opinion, been fortunate for the country. Had it been different, the currency question would have been decided at the called session; and had it been decided then, the country would this day have been in a much better condition: at least the manufacturing and commercial section of the North, where the derangement of the currency is felt the most severely. The South is comparatively in an easy condition.

Such are the difficulties that stand in the way of the substitute at the very threshold. Those beyond are vastly greater, as I shall now proceed to show. Its object, as I have stated, is to revive the league of State banks, and the first question presented for consideration is—How is this to be

done? how is the league to be formed? how stimulated into life when formed? and what, after it has been revived, will be the true character of the league or combination? To answer these questions we must turn to its provisions.

It provides, that the Secretary of the Treasury shall select twenty-five specie paying banks as the fiscal agents of the Government—all to be respectable and substantial; and that the selection shall be confirmed by the joint vote of the two Houses. It also provides, that they shall be made the depositories of the public money, and that their notes shall be receivable in the dues of the Government; and that in turn, for these advantages, they shall stipulate to perform certain duties, and comply with various conditions, the object of which is, to give to the Secretary of the Treasury full knowledge of their condition and business, with the view to supervise and control their acts, as far as the interest of the Government is concerned. In addition to these, it contains other and important provisions, which I shall not enumerate, because they do not fall within the scope of the objections that I propose to urge against the measure.

Now I ask what does all this amount to? What but a proposal on the part of the Government to enter into a contract, or bargain, with certain selected State banks, on the terms and conditions specified? Have we the right to make such a bargain? is the first question; and to that, I give a decided negative, which I hope to place on constitutional grounds, that cannot be shaken. I intend to discuss it, with other questions growing out of the connection of the Government with the banks, as a new question, for the first time presented for consideration and decision. Strange as it may seem, the questions growing out of it, long as it has existed, have never yet been presented nor investigated in reference to their constitutionality. How this has happened, I shall now proceed to explain, preparatory to the examination of the question, which I have proposed.

The union of the Government and the banks was never legally solemnized. It originated shortly after the Government went into operation, not in any legal enactment, but in a short order of the Treasury Department of not much more than half a dozen of lines, as if it were a mere matter of course. We thus glided imperceptibly into a connection, which was never recognized by law till 1816 (if my memory serves), but which has produced more important after consequences, and has had a greater control over the destiny of this country, than any one of the mighty questions which have so often and deeply agitated the country. To it may be traced, as their seminal principle, the vast and extraordinary expansion of our banking system—our excessive import duties—unconstitutional and profuse disbursements—the protective tariff, and its associated system for spending what it threw into the Treasury—followed in time by a vast surplus which the utmost extravagance of the Government could not dissipate—and finally, by a sort of retributive justice, the explosion of the entire banking system, and the present prostrated condition of the currency, now the subject of our deliberations.

How a measure, fraught with such important consequences, should at first, and for so long a time, have escaped the attention and the investigation of the public, deserves a passing notice. It is to be explained by the false conception of the entire subject of banking, which at that early period universally prevailed in the community. So erroneous was it, that a bank-note was then identified in the mind of the public with gold and silver, and a deposit in bank was regarded, as under the most safe and sacred custody that could be devised. The original impression, derived from the Bank of Amsterdam, where every note, or certificate in circulation, was honestly represented by an equal and specific quantity of gold or silver in bank, and where every deposit was kept as a sacred trust, to be safely returned to the depositary,

when demanded, was extended to banks of discount, down to the time of the formation of our Government, with but slight modifications. With this impression, it is not at all extraordinary, that the deposit of the revenue in banks for safe-keeping, and the receipt of their notes in the public dues should be considered a matter of course, requiring no higher authority than a Treasury order; and hence a connection, with all the important questions belonging to it and now considered of vast magnitude, received so little notice, till public attention was directed to it by its recent rupture. This total separation from the system, in which we now find ourselves placed, for the first time, authorizes and demands, that we shall investigate freely and fully, not only the consequences of the connection, but all the questions growing out of it,—more especially those of a constitutional character; and I shall, in obedience to this demand, return to the question from which this digression has carried me so far.

Have we, then, the right to make the bargain proposed? Have we the right to bestow the high privileges—I might say, prerogatives—on them, of being made the depositaries of the public revenue, and of having their notes received and treated as gold and silver in the dues of the Government, and in all its fiscal transactions? Have we the right to do all this in order to restore confidence in the banks, with the view to enable them to resume specie payments? What is the state of the case? The banks are deeply indebted to the country, and are unable to pay; and we are asked to give them these advantages, in order to enable them to pay their debts? Can we grant the boon? In answering this important question, I begin with the fact, that our government is one of limited powers. It can exercise no right but what is specifically granted; nor pass any law, but what is necessary and proper to carry such powers into effect. This small pamphlet (holding it up) contains the constitution. Its grants of power are few and plain; and I ask gentlemen to turn to

it, and point out the power that authorizes us to do what is proposed to be done, or to show that, to pass this substitute is necessary to carry any of the granted powers into effect. If neither can be shown, what is proposed cannot be constitutionally done; and till it is specifically pointed out, I am warranted in believing that it cannot be shown.

Our reason is often confounded by a mere name. An act, in the minds of many, may become of doubtful constitutional authority, when applied to a bank, which none would, for a moment, hesitate to pronounce grossly unconstitutional, when applied to an individual. To free ourselves from this illusion, I ask, could this Government constitutionally bestow on individuals, or a private association, the advantages proposed to be bestowed on the selected banks, in order to enable them to pay their debts? Is there one who hears me, who would venture to say, Yes,—even in the case of the most extensive merchant or mercantile concern—such as some of those in New-York, or New-Orleans, whose embarrassments, at the late suspension, involved entire sections in distress? But, if not, on what principle can a discrimination be made in favor of the banks? They are local institutions,—created by the States for local purposes,—composed, like private associations, of individual citizens, on whom the acts of the State cannot confer a particle of constitutional right under this constitution, that does not belong to the humblest citizen. So far from it, if there be a distinction, it is against the banks. They are removed further from the control of this Government than individual citizens, who, by the constitution, are expressly subject to the direct action of this Government in many instances; while the State banks, as constituting a portion of the domestic institutions of the States, and resting on their reserved rights, are entirely beyond our control; so much so, as not to be the subject of a bankrupt law, although the authority to pass one is expressly granted by the constitution.

On what possible ground, then, can the right in question be placed, unless, indeed, on the broad principle that these local institutions, intended for State purposes, have been so extended and have so connected themselves with the general circulation and business of the country as to effect the interests of the whole community, so as to make it the right and duty of Congress to regulate them? or, in short, on the broad principle of the general welfare? There is none other, that I can perceive: but this would be to adopt an old and exploded principle—at all times dangerous, but pre-eminently so at this time, when such loose and dangerous conceptions of the constitution are abroad in the land. If the argument is good in one case, it is good in all similar cases. If this Government may interfere with any one of the domestic institutions of the States, on the ground of promoting the general welfare, it may with others. If it may bestow privileges to sustain them, it may also appropriate money for the same purpose; and thus a door might be opened to an interference with State institutions, of which we of a certain section ought, at this time, to be not a little jealous.

The argument might be pushed much further. We not only offer to confer great and important privileges on the banks to be selected, but, in turn, ask them to stipulate to comply with certain conditions, the object of which is to bring them under the supervision and control of this Government. It might be asked, Where is the right to purchase or assume such supervision, or control? It might be repeated, that they are State institutions—incorporated solely for State purposes—entirely under State control—and that all supervision on our part is in violation of the rights of the States. It might be argued that such supervision, or control, is calculated to weaken the control of the States over their own institutions, and to render them less subservient to their peculiar and local interests, for the promotion of which they were established; and too subservient to other, and perhaps con-

flicting interests, which might feel but little sympathy with those of the States. But I forbear. Other, and not less urgent objections claim my attention. To dilate too much on one, would necessarily sacrifice the claim of others.

I next object that, whatever may be the right to enter into the proposed bargain, the mode in which it is proposed to make it is clearly unconstitutional, if I rightly comprehend it. I am not certain that I do; but, if I understand it rightly, the plan is, for the Secretary of the Treasury to select twenty-five State banks, as described in the substitute, which are to be submitted to the two Houses to be confirmed, or rejected, by their joint resolutions, without the approval of the President; in the same mode as they would appoint a chaplain, or establish a joint rule for the government of their proceedings.

In acting on the joint resolution, if what I suppose be intended, each House would have the right, of course, to strike from it the name of any bank and insert another, which would, in fact, vest in the two Houses the uncontrollable right of making the selection. Now, if this be the mode proposed, as I infer from the silence of the mover, it is a plain and palpable violation of the Constitution. The obvious intention is, to evade the veto power of the Executive, which cannot be done, without an infraction of an express provision of the constitution, drawn up with the utmost care, and intended to prevent the possibility of evasion. It is contained in the 1st article, 7th section, and the last clause, which I ask the Secretary to read:

"Every order, resolution, or vote, to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment), shall be presented to the President of the United States, and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill."

Nothing can be more explicit, or full. It is no more possible to evade the Executive veto, on any joint vote, than in the passage of a bill. The veto was vested in him, not only to protect his own powers, but as an additional guard to the constitution. I am not the advocate of Executive power, which I have been often compelled to resist of late, when extended beyond its proper limits, as I shall ever be prepared to do. Nor am I the advocate of legislative or judicial power. I stand ready to protect all, within the sphere assigned by the constitution, and to resist them beyond. To this explicit and comprehensive provision of the constitution, in protection of the veto, there is but a single exception, resulting, by necessary implication, from another portion of the instrument, not less explicit, which authorizes each House to establish the rules of its proceedings. Under this provision, the two Houses have full and uncontrollable authority within the limits of their respective walls, and over those subject to their authority, in their official character. To that extent, they may act, without the approval of the Executive; but beyond that, without it they are powerless.

There are in this case special reasons why his approval should not be evaded. The President is at the head of the administrative department of the Government, and is especially responsible for its good management. In order to hold him responsible, he ought to have due power in the selection of its agents, and proper control over their conduct. These banks would be by far the most powerful and influential of all the agents of the Government, and ought not to be selected without the concurrence of the Executive. If this substitute should be adopted, and the provision in question be regarded such as I consider it, there can be no doubt what must be the fate of the measure. The Executive will be bound to protect, by the intervention of his constitutional right, the portion of power clearly allotted to the department by that instrument, which would make it impossible

for it to become a law, with the existing division in the two Houses.

I have not yet exhausted my constitutional objections. I rise to higher and to broader—applying directly to the very essence of this substitute. I deny your right to make a general deposit of the public revenues in a bank. More than half of the errors of life may be traced to fallacies originating in an improper use of words; and among them, not the least mischievous is the application of this word to bank transactions, in a sense wholly different from its original meaning. Originally it meant a thing placed in trust, or pledged to be safely and sacredly kept, till returned to the depositor, without being used by the depositary, while in his possession. All this is changed when applied to a deposit in a bank. Instead of returning the identical thing, the bank is understood to be bound to return only an equal value; and instead of not having the use, it is understood to have the right to loan it out on interest, or to dispose of it as it pleases,—with the single condition,—that an equal amount be returned, when demanded, which experience has taught is not always done. To place, then, the public money in deposit, in banks, without restriction, is to give the free use of it, and to allow them to make as much as they can out of it, between the time of deposit and disbursement. Have we such a right? The money belongs to the people,—collected from them for specific purposes,—in which they have a general interest,—and for that only; and what possible right can we have to give such use of it to certain selected corporations? I ask for the provision of the constitution that authorizes it. I ask, if we could grant the use, for similar purposes, to private associations or individuals? or, if not to them, to individual officers of the Government—for instance, to the four principal receivers under this bill, should it pass? And if this cannot be done, let the distinction be pointed out.

If these questions be satisfactorily answered, I shall pro-

pound others still more difficult. I shall then ask, if the substitute should become a law, and the twenty-five banks be selected, whether they would not, in fact, be the treasury? And if not, I would ask, Where would be the treasury? But if the treasury, I would ask, if public money in bank would not be in the treasury? And if so, how can it be drawn from it to be lent for the purpose of trade, speculation, or any other use whatever, against an express provision of the constitution? Yes, as express as words can make it. I ask the Secretary to read the 1st article, 9th section, the clause next to the last.

"No money shall be drawn from the treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

How clear! How explicit! No money to be drawn from the treasury but in consequence of appropriations made by law;—that is, the object on which the expenditure is to be made, to be designated by law; and the sum allotted to effect it, specified; and yet we have lived in the daily and habitual violation of this great fundamental provision, from almost the beginning of our political existence to this day. Behold the consequences! It has prostrated and ingulfed the very institutions which have enjoyed this illicit favor, and tainted, above all other causes, the morals and politics of the whole country. Yes, to this must be traced, as one of the main causes, the whole system of excessive revenue, excessive expenditure, and excessive surpluses; and to them, especially the last, the disastrous overthrow of the banks and the currency, and the unexampled degeneracy of public and private morals, which have followed. We have suffered the affliction—may the blessing which follows chastisement, when its justice is confessed, come in due season!

But I take a still higher ground. I strike at the root of the mischief. I deny the right of this Government to treat bank-notes as money, in its fiscal transactions. On this great question, I never have before committed myself, though not generally disposed to abstain from forming or expressing opinions. In all instances in which a National Bank has come in question, I have invariably taken my ground, that if the Government has the right to receive and treat bank-notes as money, it had the right, and was bound under the constitution, to regulate them, so as to make them uniform and stable as a currency. The reasons for this opinion are obvious, and have been so often and fully expressed on former occasions, that it would be useless to repeat them now: but I never examined fully the right of receiving, or made up my mind on it, till since the catastrophe in May last, which, as I have said, entirely separated the Government from the banks. Previous to that period, it was an abstract question, with no practical bearing; as much so as is now the constitutional right of admitting Louisiana into the Union. Things are now altered. The connection is dissolved; and it has become a practical question of the first magnitude.

The mover of the substitute assumed as a postulate, that this Government had a right to receive, in its dues, whatever it might think proper. I deny the position *in toto*. It is one that ought not to be assumed, and cannot be proved, and which is opposed by powerful objections. The genius of our constitution is opposed to the assumption of power. Whatever power it gives, is expressly granted; and if proof were wanted, the numerous grants of powers, far more obvious, and apparently much more safe to be assumed than the one in question, would afford it. I shall cite a few striking instances.

If any powers might be assumed, one would suppose, that of applying money to pay the debts of the Government, and

borrowing it to carry on its operations, would be among them; yet both are expressly provided for by the constitution. Again: to Congress is granted the power to declare war and raise armies and navies; yet the power to grant letters of marque and reprisal, and to make rules for the regulation of the army and navy is not left to assumption, obvious as it is, but is given by express grant. With these and other instances not less striking, which might be added, it is a bold step to assume, without proof, the far less obvious power of the Government to receive whatever it pleases in its dues as money. Such an assumption would be in direct conflict with the great principle which the State Rights party, with which the Senator (Mr. Rives) classes himself, have ever adopted in the construction of the constitution. But, if the former cannot be assumed, it would be in vain to attempt to prove that it has been granted, or that it is necessary and proper to carry any of the granted powers into effect. No such attempt has been made, nor can be, with success. On the contrary, there are strong objections to the power, which, in my opinion, cannot be surmounted.

If once admitted, it would lead, by consequence, to a necessary interference with individual and State concerns never contemplated by the constitution. Let us, for instance, suppose that, acting on the assumption of the Senator, the Government should choose to select tobacco as an article to be received in payment of its dues, which would be as well entitled to it as any other product, and in which the Senator's constituents are so much interested. Does he not see the consequences? In order to make its taxes uniform, which it is bound to do by the constitution—and which cannot be done unless the medium in which it is paid is so—the Government would have to assume a general control over the great staple in question; to regulate the weight of the hogshead or package; to establish inspections

under its own officers, in order to determine the quality, and whatever else might be necessary to make the payments into the treasury uniform. So, likewise, if the still greater staple, cotton, be selected. The weight of the bale, the quality of the cotton, and its inspection, would all necessarily fall under the control of the Government; and does not the Senator see that the exercise of a power that must lead to such consequences—consequences so far beyond the sphere assigned to this Government by the constitution—must be unconstitutional? Nor does the objection extend only to these and other staple articles. It applies with equal, if not greater force, to the reception of the notes of State banks, as proposed by the substitute, in the dues of the Government, and the management of its fiscal concerns. It must involve the Government in the necessity of controlling and regulating State banks, as this substitute abundantly proves, as well as the whole history of our connection with them; and it has been shown that banks are, at least, as far removed from the control of this Government as the cultivators of the soil, or any other class of citizens. To this I might add another objection, not less strong; that for the Government to receive and treat bank-notes as money, in its dues, would be in direct conflict, in its effect, with the important power conferred expressly on Congress of coining money, and regulating the value thereof; but as this will come in with more propriety in answer to an argument advanced by the Senator from Massachusetts (Mr. Webster), I shall now state his argument, and reply to it.

He asserted, again and again, both now and at the extra session, that it is the duty of the Government not only to regulate, but to furnish a sound currency. Indeed it is the principal argument relied on by the Senator in opposition to the bill, which he says abandons this great duty. Now, if by currency he means gold and silver coins, there will be but little difference between him and myself. To that extent

the Government has a clear and unquestionable right by express grant; but if he goes further, and intends to assert that the Government has the right to make bank-notes a currency, which it is bound to regulate, then his proposition is identical in effect, though differently expressed, with that of the Senator from Virginia (Mr. Rives), and all the arguments I have urged against it are equally applicable to his. I hold, on my part, that the power of the Government on this subject, is limited to coining money and regulating its value, and punishing the counterfeiting of the current coins; that is, of the coins made current by law—the only money known to the constitution. It is time to make a distinction between money, or currency, if you please—between that which will legally pays debts, and mere circulation, which has its value from its promise to be paid in the former; and under which classification, bank-notes, as well as bills or promissory notes of individuals, fall. These are all in their nature private and local, and cannot be elevated to the level of currency, or money, in the fiscal transactions of Government, without coming into conflict, more or less, with the object of the constitution in vesting the very power in Congress, which I shall now proceed to show.

It will hardly be questioned, that the object was to fix a standard in order to furnish to the Union a currency of uniform and steady value, and was therefore united in the same sentence with the relative power, to fix the standard of weights and measures,—the objects being similar. Now, if our experience has proved any thing, it has amply shown that, so long as the Government is connected with the banks, and their notes received in its transactions, as money, so long it is impossible to give any thing like stability to the *standard* of value; and that the power of coining, and regulating the coins, becomes in a great measure a mere nullity. Every dollar issued in bank-notes, when it is made the substitute for money, drives out of circulation more or less of the

precious metals; and when the issue becomes exorbitant, gold and silver almost entirely disappears, as our experience at this time proves. The effects are analogous to alloying or clipping the coin, as far as stability of standard is concerned; and it would be not less rational to suppose, that such a power on the part of individuals, would be consistent with an uniform and stable currency, than to suppose the receiving and treating bank-notes as a substitute for money by the Government, would be. The only check or remedy is to restrict them to their proper sphere, to circulate in common with bills of exchange or other private and local paper, for the convenience of business and trade. So far from such a course operating injuriously on the people, or from being liable to the charge of forming one currency for the people and another for the Government, as has been so often and with such effect repeated,—it is the very reverse. Government, by refusing to receive bank-notes, as it is bound to do, would in fact furnish a choice to the people, to take either money or notes at their pleasure. The demand of the Government will always keep a plentiful supply of the former in the country, so as to afford the people a choice—while the opposite would expel the money, and leave no option to them but to take bank-notes or nothing, as at present.

I have now shown how it is proposed to form the league of banks, and have presented the constitutional impediments that stand in the way. These are numerous and strong; so much so, that they ought to be irresistible with all, except the latitudinous in construction; but I cannot expect they will produce their full effect. I know too well the force of long entertained impressions, however erroneous, to be sanguine—how strongly the mind rebels against the expulsion of the old and the admission of new opinions. Yet, in this case, where we clearly see how gradually and silently error crept in under the disguise of words, applied to new and totally different ideas, without exciting notice or alarm; and

when we have experienced such deep disasters in consequence of departing from the plain intent and meaning of the constitution, I cannot but hope that all who believe that the success of the Government depends on a rigid adherence to the constitution, will lay aside all previous impressions, taken up without reflection, and give to the objections their due weight.

I come now to the next point, to show how this league is to be revived or stimulated into life. Till this can be done, the substitute, should it become a law, would be a dead letter. The selection is to be made from specie paying banks. None but such can receive the public deposits, or have their notes received in the dues of the Government. There are none such now. The whole banking system lies inanimate; and must be vivified before it can be reunited with the Government. No one is bold enough to propose an union with this lifeless mass. How then is the vital spark to be revived; how the breath of life, the Promethean fire, to be breathed into the system anew? is the question. This is the task.

The mover tells us, that it must be the work of the Government. He says that it is bound to aid the banks to resume payments; and, for that purpose, ought to hold out to them some *adequate inducement*. He tells us, that they have been long preparing and had made great efforts, but can go no further; have rolled the round, huge rock almost to the summit,—but unless the Government put forth its giant arm, and give the last push, it will recoil and rush down the steep to the bottom, and all past labor be lost. Now, what is this adequate inducement? what this powerful stimulus, which it is proposed the Government should apply, in order to enable the banks to accomplish this herculean task? The substitute shall answer.

It proposes to fix the 1st of July next for the period of resumption; and as the inducement to resume, it proposes

to select twenty-five of the most respectable and solid, out of the resuming banks, to be the depositories of the public moneys, and the fiscal agents of the Government, as has been already stated. It also proposes,—and this is the stimulus, the essence of the whole,—to make the notes of such banks as may resume on or before that day, exclusively receivable in the public dues. Here is a *quid pro quo;* something proposed to be done, for which something is to be given. We tell the banks plainly, if you resume, we, on our part, stipulate to make twenty-five of you our fiscal agents and depositories of the revenue; and we further stipulate that those who resume by the time fixed, shall have the exclusive privilege *for ever* of having their notes receivable in the dues of the Government, in common with gold and silver. If the banks perform their part, we shall be bound in honor and good faith to perform ours. It would be a complete contract, as obligatory as if signed, sealed, and delivered. Such is the inducement. The next question is, Will it be adequate? Yes, abundantly adequate. The battery is strong enough to awaken the dead to life; the consideration sufficient to remunerate the banks for whatever sacrifice they may be compelled to make, in order to resume payment. It is difficult to estimate the value of these high privileges or prerogatives, as I might justly call them. They are worth millions. If you were to enter into a similar contract with an individual, I doubt not, that he could sell out in open market for at least thirty, forty, or fifty millions of dollars. I do, then, the mover the justice to say, that his means are ample to effect what he proposes. Difficult as is the work of resumption,—and difficult it will turn out to be when tried,—the inducement will prove all-sufficient. But the resumption, however desirable, may be purchased too dearly; and such would prove to be the case, should the project succeed. Not only is the offer too great, but the mode of effecting it is highly objectionable. Its operation would prove

not less disastrous than the bargain has been shown to be unconstitutional, which I shall now proceed to establish.

The offer will have a double effect. It will act as a powerful stimulus to resumption—but, at the same time, with equal force to excite a struggle among the banks, not only to resume themselves, but to prevent others from resuming. The reason is clear. The advantage to each will increase, as the number of the resuming banks decreases; and of course, the great point of contest among the strong will be to restrict the proffered prize to the smallest number. The closer the monopoly the greater the profits. In this struggle, a combination of a few powerful and wealthy banks, the most respectable and solid, as designated in the substitute, will overthrow and trample down the residue. Their fall will spread desolation over the land. Whatever may be the fate of others in this desperate contest, there is one, in relation to which no doubt can be entertained: I refer to the United States Bank of Pennsylvania—a long name and a misnomer; and which, for the sake of brevity, but with no personal disrespect to the distinguished individual at its head, I shall call Mr. Biddle's bank. That, at least, will be one of the winners—one of the twenty-five to whom the prize will be assigned. Its vast resources, its wealth and influential connections, both at home and abroad, the skill and ability of the officer at its head, and—what is less honorable—the great resource it holds, in the notes of the late United States Bank, of which more than six millions have been put into circulation—in violation, to say the least, of a trust—constituting more than five-sixths of all its circulation, and which it is not bound to pay—with the still greater amount on hand, making in the whole more than twenty-six millions, and which may be used the same way, if not prevented—would place it, beyond all doubt, among the victors. He starts without proper weights, and will lead the way from the first. Who the others may be is uncertain; this will depend

mainly upon his good will and pleasure. It may be put down as certain, whoever they may be, that they will be powerful and influential, and not unfavorable to his interest or aggrandizement. But the mischievous effect will not be limited to this death-like struggle, in which so many must fall and be crushed, that might otherwise weather the storm. The forced resumption, for such it will be in effect, would be followed by wide-spread desolation. It is easy to sink to suspension, but hard to return to resumption. Under the most favorable circumstances, and when conducted most leisurely and cautiously, the pressure must be severe; but, if coerced or precipitated by bankrupt laws or temptations such as this, it will be ruinous. To make it safe and easy must be the work of time. Government can do but little. The disease originates in excessive indebtedness, and the only remedy is payment or reduction of debts. It is estimated, that when the banks suspended payments, the community was indebted to them the enormous sum of $475,000,000. To reduce this within the proper limits, is not the work of a few days, and can be but little aided by us. The industry and the vast resources of the country, with time, are the only remedies to be relied on for the reduction; and to these, with the State legislatures, and the public opinion, the resumption must be left. To understand the subject fully, we must look a little more into the real cause of the difficulty.

This enormous debt was incurred in prosperous times. The abundant means of the banks, from the surplus revenue and a combination of other causes, induced them to discount freely. This increased the circulation, and with its increase, its value depreciated, and prices rose proportionably. With this rise, enterprise and speculation seized the whole community, and every one expected to make a fortune at once; and this, in turn, gave a new impulse to discounts and circulation, till the swelling tide burst its barriers and deluged the

land. Then began the opposite process of absorbing the excess. If it had been possible to return it back to the banks, the sources from which it flowed, through its debtors, the speculating, enterprising, and business portion of the community, the mischief would have been in a great measure avoided. But circulation had flowed off into other reservoirs; those of the moneyed men and bankers, who hoard when prices are high, and buy when they are low. The portion thus drawn off and held in deposit, either in banks or the chests of individuals, was as effectually lost, as far as the debtors of the banks were concerned, as if it had been burnt. The means of payment were thus diminished; prices fell in proportion, and the pressure increased, as they fell. Though the amount in circulation be greatly reduced, yet the banks are afraid to discount, lest, on resumption, the hoarded mass of deposits held by individuals or other banks should be let loose, and, in addition to what might be put into circulation should discounts be made, would cause another inundation, to be followed by another suspension. How is this difficulty to be safely surmounted, but by unlocking the hoarded means? And how is that to be done, without deciding the currency question? This is the first and necessary step. That done, all will be able to calculate, and determine what to do. The period of inaction and uncertainty would cease, and that of business revive. Funds that are now locked up, would be brought again into operation, and the channels of circulation be replenished in the only mode it can be done with safety. Thus thinking, I am now and have been from the first, in favor of an early decision, and averse to all coercion, or holding out temptation to resume; leaving the disease to the gradual and safe operation of time, with as little tampering as possible. In the mean time, I hold it to be unwise to cease discounting, and to adopt an indiscriminate system of curtailment. Its effects are ruinous to the business of the country, and calculated to retard, rather than to accelerate

a resumption. The true system, I would say, would be to discount with business paper as freely as usual, and curtail gradually on permanent debts. The former would revive business, and increase the debts to the banks less than it would increase the ability of the community to pay them.

Having now shown how this league or combination of banks is to be formed and revived, with the difficulties in the way, it remains to determine, what will be the true character and nature of the combination when formed. It will consist of State banks retaining their original powers, that of discounting and all, without being in the slightest degree impaired. To these the substitute proposes to make important additions; to receive their notes as gold and silver in the public dues; to give them the use of the public deposits, and to organize and blend the whole into one, as the fiscal agent of the Government, to be placed under the immediate supervision and control of the Secretary of the Treasury. Now what does all this amount to? Shall I name the word?—be not startled; A BANK—a Government bank,—the most extensive, powerful and dangerous, that ever existed. This substitute would be the act of incorporation; and the privileges it confers, so much additional banking capital, increasing immensely its powers, and giving it an unlimited control over the business and exchanges of the country.

The Senator from Virginia (Mr. Rives) was right in supposing that this new trial of the experiment would be made under very different circumstances from the first, and would have a different termination. That too, like this, was a bank—a Government bank, as distinguished from the late bank, to which it was set up as a rival, and was, at the time, constantly so designated in debate. But the circumstances now are indeed different—very different, and so would be the result of the experiment. This bank would not be the same rickety concern as the former. That ended in anarchy, and this would end in despotism. I will explain.

The former failed, not so much in consequence of the adverse circumstances of the times, or any essential defect in the system, as from the want of a head—a common sensorium—to think, to will, and decide for the whole, which was indispensably necessary to insure concert and give unity of design and execution. A head will not be wanting now. Mr. Biddle's bank will supply the defect. His would be, not only one of the resuming banks, as I have shown, but would also be one of the twenty-five to be selected. If there should be the temerity to omit it, the present project would share the fate of its predecessor. Mr. Biddle's bank at the head of those excluded, would be an overmatch for the selected, in skill, capital and power; and the whole league would inevitably be overthrown. But if selected, the position of his bank in the league would be certain. Its vast capital, its extensive connections, its superior authority, and his skill, abilities and influence, would place it at the head, to think and act for the whole. The others would be as dependent on his, as the branches of the late bank were on the mother institution. The whole would form one entire machine, impelled by a single impulse, and making a perfect contrast with its predecessor in the unity and energy of its operations.

Nor would its fate be less dissimilar. Anarchy was inscribed on the first from the beginning. Its deficiency in the great and essential element, to insure concert, was radical, and could not be remedied. Its union with the Government could not supply it, nor avert its destiny. But very different would be the case of the present. Add its intimate union with the Government, for which the substitute provides, to its other sources of power, and it would become irresistible. The two—Government and bank—would unite and constitute a single power; but which would gain the ascendency,—whether the Government would become the bank, or the bank the Government,—is neither certain nor material; for whichever it might be, it would form a despotic *money-cracy* (if I

may be permitted to unite an English and a Greek word), altogether irresistible.

It is not a little surprising, that the Senator from Virginia (Mr. Rives), whose watchful jealousy could detect, as he supposed, the embryo of a Government bank in the bill, should overlook this regular incorporation of one by his own substitute. Out of the slender materials of treasury warrants and drafts to pay public creditors, or transfer funds from place to place, as the public service might require, and four principal receivers to keep the public money, he has conjured up, with the aid of a vivid imagination, a future Government bank, which he told us, with the utmost confidence, would rise like a cloud, at first as big as a hand, but which would soon darken all the horizon. Now, it is not a little unfortunate for his confident predictions, that these seminal principles from which the bank is to spring, have all existed from the commencement of our Government in full force, except the four receivers, without showing the least tendency to produce the result he anticipates. Not only ours, but every civilized government has the power to draw treasury warrants, and transfer drafts ; nor has the power in a single instance terminated in a bank. Nor can the fact, that the money is to be kept by receivers, contribute in the least to produce one. The public funds in their hands will be as much beyond the control of the Executive, as they were in the vaults of the banks. But, to shorten discussion, I would ask, How can there be a bank without the power to discount or to use the deposits ? and out of which of the provisions of the bill could the treasury, by any possibility, obtain either, under the severe penalties of the bill, which prohibits the touching of the public money, except on warrants or drafts, drawn by those having authority, in due form, and for the public service ?

But the danger, which an excited imagination anticipates hereafter from the bill, would exist in sober reality under the substitute. There it would require neither fancy nor conjec-

ture to create one. It would exist with all its faculties and endowments complete—discount, deposits, and all; with immense means, guided by a central and directing head, and blended and united with the Government, so as to form one great mass of power. What a contrast to the bill! How simple and harmless the one, with its four principal receivers, twice as many clerks, and five inspectors, compared with this complex and mighty engine of power! And yet there are many, both intelligent and patriotic, who oppose the bill and support the substitute, on the ground that the former would give more patronage and power than the latter! How strange and wonderful the diversity of the human mind!

So far from being true, the very fact of the separation of the Government from the banks, provided for in the bill, would, of itself, be the most decisive blow that could be given to Government patronage,—and the union of the two, the most decisive in its favor. When their notes are received in the public dues, as cash, and the public money deposited in their vaults, the banks become the *allies* of the Government on all questions connected with its fiscal action. The higher its taxes and duties, the greater its revenue and expenditure; and the larger its surplus, the more their circulation and business, and, of course, the greater their profit; and hence on all questions of taxation and disbursements, and the accumulations of funds in the treasury, their interest would throw them on the side of the Government and against the people.

All this is reversed when separated. The higher the taxation and disbursements, and the larger the surplus, the less would be their profit; and their interest in that case, would throw them with the people, and against the Government. The reason is obvious. Specie is the basis of banking operations; and the greater amount they can command, the greater will be their business and profits; but when the Government is separated from them and collects and pays away its

dues in specie instead of their notes, it is clear that the higher the taxes and disbursements, and the greater the surplus in the treasury, the more specie will be drawn from the use of the banks, and the less will be left as the basis of their operations; and, consequently, the less their profit. Every dollar withdrawn from them would diminish their business fourfold at least; and hence a regard to their own interest would inevitably place them on the side to which I have assigned them.

The effects on the politics of the country would be great and salutary. The weight of the banks would be taken from the side of the *tax consumers*, where it has been from the commencement of the Government, and placed on the side of the *tax payers*. This great division of the community necessarily grows out of the fiscal action of the Government. Take taxation and disbursement together, and it will always be found that one portion of the community pays into the treasury, in the shape of taxes, more than it receives back in that of disbursements, and that another receives back more than it pays. The former are the tax payers, and the latter the consumers,—making the great, essential, and controlling division in all civilized communities. If, with us, the Government has been thrown on the side of the consumers, as it has, it must be attributed to its alliance with the banks; whose influence has been, in consequence, at all times steadily and powerfully on that side. It is to this mischievous and unholy alliance that may be traced almost all the disasters that have befallen us, and the great political degeneracy of the country. Hence the protective system; hence its associated and monstrous system of disbursements; hence the collection of more money from the people than the Government required; hence the vast and corrupting surpluses; hence legislative and executive usurpations; and finally, hence the prostration of the currency and the disasters which give rise to our present deliberations. Revive this fatal con-

nection; adopt this substitute—and all this train of evils will again follow with redoubled disasters and corruption. Refuse the connection; adopt this bill—and all will be reversed, and we shall have some prospect of restoring the constitution and country to their primitive simplicity and purity. The effect of the refusal, on the patronage of the Government, would be great and decisive. Burke has wisely said, that the "revenue is the State in modern times." Violence and coercion are no longer the instruments of Government in civilized communities. Their reign is passed. Every thing is now done by money. It is not only the sinew of war, but of politics; over which, in the form of patronage, it exercises almost unlimited control. Just as the revenue increases or diminishes, almost in the same proportion, is patronage increased or diminished.

But admit for a moment, that neither the separation nor the connection would have any sensible effect to increase or diminish the revenue; and that it would be of the same amount, whether the bill or substitute should be adopted; yet, even on that supposition, the patronage of the latter would be an hundred-fold greater than the former. In estimating the amount of patronage growing out of any measure, three particulars must be taken into the calculation; the number of persons who may be affected by it, their influence in the community, and the extent of the control exercised over them. It will be found, on comparison, that the substitute combines all these elements in a far greater degree, than the bill, as I shall now proceed to show. I begin with the number.

The bill provides, as has been stated, for four principal receivers, eight or ten clerks, and a suitable number of agents to act as inspectors, making in the whole, say 25 individuals. These would constitute the only additional officers to keep and disburse the public money. The substitute, in addition to the officers now in service, provides for the selection of 25

banks, to be taken from the most powerful and influential, and which would have, on an average, at the least, 100 officers and stockholders each,—making in the aggregate, 2,500 persons, who would be directly interested in the banks, and, of course, under the influence of the Government.

As to the relative influence of the officers, proposed by the bill, and the selected banks over the community, every impartial man must acknowledge, that the preponderance would be great on the side of the latter. Admitting the respectability of the receivers and other officers provided for, and the officers and stockholders of the banks, to be individually the same, still the means of control at the disposition of the former, would be as nothing compared to that of the latter. They could not touch a cent of public money. Their means would be limited to their salary, which would be too small to be felt in the community. Very different would be the case with the officers and stockholders of the banks. They, of all persons, are by far the most influential in the community. A greater number depend on them for accommodation and favor, and the success of their business and prospects in life, than any other class in society; and this would be especially true of the banks connected with the Government.

It only remains now to compare the extent of the control that may be exercised by the Government over the two, in order to complete the comparison; and here again the preponderance will be found to be strikingly on the same side. The whole amount of expenditure under the bill would not exceed $30,000 or $40,000 annually, at the very furthest; and this constitutes the whole amount of control which the Government can exercise. There would be no perquisites, no contracts, jobs, or incidental gains. The offices and salaries would be all. To that extent, those who may hold them would be dependent on the Government, and thus far may be controlled. How stands the account on the other

side? What value shall be put on the public deposits in the banks? What on the receivability of their notes, as cash, by the Government? What on their connection with the Government as their fiscal agent, which would give so great a control over the exchanges and business of the country? How many millions shall these be estimated at, and how insignificant must the paltry sum of $30,000 or $40,000 appear to those countless millions held, under the provisions of the substitute, at the pleasure of the Government!

Having now finished the comparison as to the relative patronage of the two measures, I shall next compare them as fiscal agents of the Government;—and here let me say, at the outset, that the discussion has corrected an error which I once entertained. I had supposed that the hazard of keeping the public money under the custody of officers of the Government, would be greater than in bank. The Senators from New Hampshire and Connecticut (Messrs. Hubbard and Niles) have proved from the record, that the hazard is on the other side; and that we have lost more by the banks, than by the collecting and disbursing officers combined. What can be done to increase the security, by judicious selection of officers and proper organization, is strongly illustrated by the fact stated by the chairman (Mr. Wright) in his opening speech; that, in the war department, there has been no loss for fifteen years,—from 1821 to 1836,—on an expenditure, certainly not less than $100,000,000. I take some pride in this result of an organization, which I originated and established, when Secretary of War, against the most formidable opposition.

As to the relative expense of the two agencies, that of the bill, small as it is, if we are to judge by *appearances*, is the greatest; but, if by *facts*, the substitute would be much the most so—provided we charge it with all the advantages, which the banks would derive from their connection

with the Government, as ought in fairness to be done, as the whole ultimately comes out of the pockets of the people.

In a single particular, the banks have the advantage as fiscal agents. They would be the more convenient. To this they are entitled, and I wish to withhold from them no credit which they may justly claim.

The Senator from Virginia (Mr. Rives) appeared to have great apprehensions that the collection of the public dues in specie might lead to hoarding. He may dismiss his fears on that head. It is not the genius of modern and civilized governments to hoard; and, if it were, the banks will take care that there shall be no extraordinary accumulation of cash in the treasury. Pass the bill, and I underwrite that we shall never have again to complain of a surplus. It would rarely, if ever, in peace and settled times, exceed three or four millions at the outside. Nor is his apprehension that hoarding of specie would lead to war, less groundless. The danger is in another quarter. War is the harvest-time of banks, when they are connected with government. The vast increase of revenue and expenditures, and the enormous public loans, which necessarily inure mainly to their advantage, swell their profits in war to the utmost limits. But separate them from government, and war would then be to them a state of famine,—for reasons which must be apparent after what has been said,—which would throw their weight on the side of peace and against war; just as certainly, as I have shown, that the separation would throw it on the side of the tax payers, and against the tax consumers.

I come now to the comparison of the effects of the two measures on the currency of the country. In this respect, the Senator from Virginia (Mr. Rives) seemed to think, that his substitute would have a great superiority over the bill: but his reasons were to me wholly unsatisfactory. If we are to judge from experience, it ought to be pronounced to be

the worst possible measure. It has been in operation but twice (each time for but a few years) since the commencement of the Government; and it has so happened, that the only two explosions of the currency occurred during those periods. But, without relying on those disastrous occurrences, we have seen enough to satisfy the most incredulous, that there are great and radical defects in our bank circulation, which no remedy heretofore applied has been able to remove. It originates in the excess of paper, compared with specie; and the only effective cure is to increase the latter and reduce the former; and this the substitute itself impliedly acknowledges, by proposing a remedy that would prove wholly inoperative. It proposes that, after a certain period mentioned, none of the banks to be selected should issue notes under ten dollars. The effect would clearly be, not a diminution of the circulation of small notes, but a new division of the banking business—in which the issue of large notes would fall to the lot of the selected banks, and the small to the others — without restricting, in the least, the aggregate amount of paper circulation.

But what the substitute would fail to do, the bill would effectually remedy. None doubt that the separation from the banks would greatly increase the proportion of specie to paper; but the Senator from Virginia (Mr. Rives) apprehends, that its operation would be too powerful; so powerful, in fact, as to destroy the banks. His argument is, that specie would be always at a premium; and that it would be impossible for the banks to do business so long as that was the case. His fears are groundless. What he dreads would be but a temporary evil. The very fact that specie would bear a premium, would have the double effect, to diminish paper circulation, and increase the importation of specie, till an equilibrium between the two would be restored, when they would be at par. At what point this would be effected, is a little uncertain; but the fear is, that, with our decreasing

revenue—instead of the specie being increased to excess, it would not be increased sufficiently to give the desired stability to the currency.

In this connection, the Senator urged an objection against the bill, which I regard as wholly groundless. He said, that the payment of the dues of the Government in specie, would create a double demand—a domestic, as well as a foreign; the effects of which would be to increase greatly its fluctuations; and so deeply was he impressed with the idea, that he drew a vivid picture of its alternate flow from the coast to the interior, and from North to South, and back again. All this is the work of imagination. The effect would be directly the reverse. The more numerous the demands, the less the fluctuation; so much so, that the greatest stability would be where it exclusively performed the function of circulation, and where each individual must keep a portion to meet his daily demands. This is so obvious that I shall not undertake to illustrate it.

But the superiority of the bill over the substitute would not be limited only to a more favorable proportion between specie and paper. It would have another important advantage that cannot be well over-estimated; it would make a practical distinction between currency and circulation—between the currency of the country, and private and local circulation, under which head bank paper must be comprehended. The effect would be, to render a general explosion of the circulation almost impossible. Whatever derangements might occur would be local, and confined to some one particular commercial sphere; and even, within its limits, there would be a sound currency to fall back on, not partaking of the shock, and which would greatly diminish the intensity and duration of the distress. In the mean time, the general business and finances of the country would proceed, almost without feeling the derangement.

With a few remarks on the comparative effects of the

two measures on the industry and business of the country, I shall conclude the comparison. What has been said on their relative effects on the currency, goes far to decide the question of their relative effects on business and industry.

I hold a sound and stable currency to be among the greatest encouragements to industry and business generally; and an unsound and fluctuating one—now expanding and now contracting, so that no honest man can tell what to do—as among the greatest discouragements. The dollar and the eagle are the measure of value, as the yard and the bushel are of quantity; and what would we think of the incorporation of companies to regulate the latter—to expand or contract, or shorten or lengthen them at pleasure, with the privilege to sell by the contracted or shortened, and buy by the expanded or lengthened? Is it not seen that it would place the whole industry and business of the country under the control of such companies? But it would not more certainly effect it, than a similar control possessed by the money institutions of the country over the measure of value. But I go further, and assert confidently, that the *excess of paper currency, as well as its unsteadiness*, is unfavorable to the industry and business of the country. It raises the price of every thing, and consequently increases the price of production and consumption; and is, in the end, hostile to every branch of industry.

I hold that specie and paper have each their proper sphere; the latter for large and distant transactions, and the former for all others; and that the nearer our circulation approaches gold and silver, consistently with convenience, the better for the industry and the business of the country. The more specie the better, till that point is reached. When attained, it would combine, in the greatest possible degree, soundness and facility—and would be favorable to the productive classes universally; I mean men of business, planters, merchants, and manufacturers, as well as operatives. It

would be particularly favorable to the South. Our great staples are cash articles every where; and it was well remarked by the Senator from Mississippi (Mr. Walker), at the extra session, that we sold at cash prices and bought at paper prices; that is, sold low and bought high. The manufacturing, commercial, and navigating interests would also feel its beneficial effects. It would cheapen production and be to manufacturers in lieu of a protective tariff. Its effects would be to enable them to meet foreign competition, not by raising prices through high duties, but by enabling them to sell as cheap or cheaper than the foreigner,—which would harmonize every interest, and place our manufactures on the most solid basis. It is the only mode by which the foreign market can ever be commanded; and commanded it would be, with a sound and moderately expanded currency. Our ingenuity, invention, and industry are equal to any people; and all our manufacturers want, is a sound currency and an even chance, to meet competition with success any where, at home or abroad. But with a bloated and fluctuating paper circulation, this will be impossible. Among its many drawbacks, it levies an enormous tax on the community.

I have already stated, that the community is estimated to have been indebted to the banks $475,000,000 at the suspension of specie payments. The interest on this sum, estimated at six per cent. (it ought to be higher), would give an annual income to those institutions of upwards of thirty millions; and this is the sum yearly paid by the community for bank accommodations, to the excess of which we owe our bloated and unstable circulation. Never was a circulation so worthless, furnished at so dear a rate. How much of this vast income may be considered as interest on real capital, it is difficult to estimate; but it would, I suppose, be ample to set down ten millions to that head, which would leave upwards of twenty millions annually, as the profits derived from bank-

ing privileges, over and above a fair compensation for the capital invested, which somebody must pay, and which must ultimately fall on the industry and business of the country. But this enormous expansion of the system is not astonishing; so great is the stimulus applied to its growth. Ingenious men of other ages, devoted themselves in vain to discover the art of converting the baser metals into gold and silver; but we have conferred on a portion of the community an art still higher,—of converting paper, to all intents and purposes, into the precious metals; and ought we to be surprised, that an article so cheap to the manufacturers, and so dear to the rest of the community, should be so greatly over supplied, and without any reference to the interest, or to the wants of the community?

If we are to believe the Senator from Virginia, and others on the same side, we owe almost all our improvements and prosperity to the banking system;—and if it should fail, the age of barbarism would again return. I had supposed that the bases of our prosperity were our free institutions; the wide-spread and fertile region we occupy, and the hereditary intelligence and energy of the stock, from which we are descended; but it seems, that all these go for nothing, and that the banks are every thing. I make no war on them. All I insist on is, that the Government shall separate from them; which I believe to be indispensable, for the reasons I have assigned, both now and formerly. But I cannot concur in attributing to them our improvements and prosperity. That they contributed to give a strong impulse to industry and enterprise in the early stages of their operation, I doubt not. Nothing is more stimulating than an expanding and depreciating currency. It creates a delusive appearance of prosperity, which puts every thing in motion. Every one feels as if he was growing richer, as prices rise; and that he has it in his power, by foresight and exertion, to make his fortune. But it is the nature of stimulus, moral as well as

physical, to excite at first, and to depress afterwards. The draught, which at first causes unnatural excitement and energy, is sure to terminate in corresponding depression and weakness; nor is it less certain that the stimulus of a currency, expanding beyond its proper limits, follows the same law. We have the exhilaration—and the depression has succeeded. We have had the pleasure of getting drunk, and now experience the pain of becoming sober. The good is gone and the evil has succeeded; and on a fair calculation, the latter will be found to be greater than the former. Whatever impulse the banking system was calculated to give to our improvement and prosperity, has already been given; and the reverse effects will hereafter follow, unless the system should undergo great and radical changes; the first step towards which, would be the adoption of the measure proposed by this bill.

I have, Mr. President, finished what I intended to say. I have long anticipated the present crisis, but did not until 1837 expect its arrival in my time. When I saw its approach, I resolved to do my duty, be the consequences to me what they might, and I offer my thanks to the Author of my being, that he has given me the resolution and opportunity to discharge, what I honestly believe to be that duty on this great subject.

How the question will be decided, is acknowledged to be doubtful—so nearly are the two Houses supposed to be divided; but whatever may be its fate *now*, I have the most perfect confidence in its *final* triumph. The public attention is roused. The subject will be thoroughly investigated, and I have no fears but the side I support, will prove to be the side of truth, justice, liberty, civilization, and moral and intellectual excellence.

SPEECH

On the Independent Treasury Bill, in reply to Mr. Clay, delivered in the Senate. March 10th, 1838.

I RISE to fulfil a promise I made some time since, to notice, at my leisure, the reply of the Senator from Kentucky furthest from me (Mr. Clay) to my remarks when I first addressed the Senate on the subject now under discussion.

On comparing with care the reply with the remarks, I am at a loss to determine whether it is most remarkable for its omissions or misstatements. Instead of leaving not a hair on the head of my arguments, as the Senator threatened (to use his not very dignified expression), he has not even attempted to answer a large, and not the least weighty portion; and of such as he has noticed, there is not one fairly stated or fairly answered. I speak literally, and without exaggeration; nor would it be difficult to make good to the letter what I assert, if I could reconcile it to myself to consume the time of the Senate in establishing a long series of negative propositions, in which they could take but little interest, however important they may be regarded by the Senator and myself. To avoid so idle a consumption of time, I propose to present a few instances of his misstatements, from which the rest may be inferred; and, that I may not be suspected of having selected them, I shall take them in the order in which they stand in his reply.

The Senate will recollect, that when the Senator from Virginia furthest from me (Mr. Rives) introduced his substitute, he accompanied it with the remark that it was his first choice, and the second choice of those who are allied with him on this occasion. In noticing this remark, I stated, that if I might judge from appearances, which could scarcely

deceive any one, the Senator might have said not only the second, but, under *existing circumstances*, it was their first choice; and that, despairing of a bank for the present, they would support his substitute. Assuming this inference to be correct, I stated that the question was narrowed down, in fact, to the bill and substitute, of which one or the other must be selected. The Senator from Kentucky, in his reply, omitted all these qualifications, and represented me as making the absolute assertion that, in the nature of the case, there was no other alternative but the bill or the substitute, and then gravely pointed out two others—to do nothing, or adopt a National Bank—as if I could possibly be ignorant of what was so obvious. After he had thus replied, not to what I really said, but his own misstatement of it, as if to make compensation, he proceeded in the same breath to confirm the truth of what I did say, by giving his support to the substitute, which he called a "half-way house," where he could spend some pleasant hours. Nothing is more easy than to win such victories.

Having inferred, as has turned out to be the fact, that there was no other alternative, at present, but the bill and substitute, I next showed the embarrassment to which the gentlemen opposite to me would be involved from having, four years ago, on the question of the removal of the deposits, denounced a league of State banks similar to that proposed to be revived by the substitute. After enlarging on this point, I remarked, that if I might be permitted to state my opinion, the gentlemen had taken a course on this subject unfortunate for themselves and the country—unfortunate for them—for, let what would come, they would be responsible. If the bill was lost, theirs would be the responsibility; if the substitute was carried, on them the responsibility would fall; and if nothing was done, it would be at their door:—and unfortunate for the country, because it had prevented the decision of the question at the extra session, which would

not have failed to put an early termination to the present commercial and pecuniary embarrassments. This the Senator, in his reply, met by stating that I had called on him and his friends to follow my lead; and thus regarding it, he made it the pretext of some ill-natured personal remarks, which I shall notice hereafter. I never dreamed of making such a call; and what I said cannot be tortured, by the force of construction, to bear a meaning having the least resemblance to it.

After making these preliminary remarks, I took up the substitute, and showed that it proposed to make a bargain with the banks. I then stated the particulars and the conditions of the proposed bargain; that its object was to enable the banks to pay their debts—and for that purpose it proposed to confer important privileges; to give them the use of the public funds from the time of deposit to disbursement, and to have their notes received as cash in the dues of the Government. I then asked if we had a right to make such a bargain. The Senator, leaving out all these particulars, represented me as saying that the Government had no right to make a bargain with the banks; and then undertakes to involve me in an inconsistency in supporting the bill, because it proposes to bargain with the banks for the use of their vaults as a place of safe-keeping for the public money; as if there was a possible analogy between the two cases. Nothing is more easy than to refute the most demonstrative argument in this way. Drop an essential part of the premises, and the most irresistible conclusion, of course, fails.

In the same summary and easy mode of replying to my arguments, the Senator perverted my denial that the Government had a right to receive bank-notes as cash, into the assertion that it had no right to receive any thing but cash; and then accuses me of inconsistency, because I voted, at the extra session, for the bill authorizing the receipt of treasury notes in the dues of the Government; as if any one

ever doubted that it could receive its own paper, or securities, in payment of its own debts. Such are the misstatements of the Senator, taken in their regular order as they stand in his reply; and they present a fair specimen of what he chooses to consider an answer to my argument. There is not one less unfairly stated, or unfairly met, than the instances I have cited.

The Senator presented two difficulties in reply to what I said against receiving bank-notes by the Government, which demand a passing notice before I dismiss this part of the subject. He objected, first, that it was contrary to the provision of the bill itself, which authorizes the receipts of the notes of specie-paying banks for a limited time. To answer this objection, it will be necessary to advert to the object of the provision. By the provisions of the Joint Resolution of 1816, the notes of specie-paying banks are made receivable in the dues of the Government; and, of course, on the resumption of specie payments, bank-notes would again be received by the Government as heretofore, without limitation as to time, unless some provision be adopted to prevent it. In a word, the Government, though wholly separated, in fact, at present from the banks, is not so by law; and the object of the provision was to effect a permanent separation in law and in fact. This it proposed to do by a gradual repeal of the Joint Resolution of 1816, in order to prevent, as far as possible, any injurious effects to the community or the banks. The Senator, in making his objection, overlooks the broad distinction between the doing and undoing of an unconstitutional act. There are some unconstitutional acts that are difficult, if not impossible, to be undone; such, for instance, as the admission of Louisiana into the Union, admitting it to be unconstitutional, which I do not. There are others which cannot be undone suddenly, without wide-spread distress and ruin; such as the Protective Tariff, of which, accordingly, the Compromise Act allowed upward of eight

years, for the gradual repeal. Such, also, is the case under consideration, which, under the provisions of the bill, would be effected in seven years. In all such cases, I hold it to be not only clearly constitutional for Congress to make a gradual repeal, but its duty is to do so; otherwise it would be often impossible to get clear of an unconstitutional act short of a revolution.

His next objection was, that the reasons which would make the receipt of bank-notes unconstitutional, would also make the China trade so, which he represented as absorbing a large portion of the specie of the country. There is no analogy whatever between the two cases. The very object of specie is, to carry on trade,—and it would be idle to attempt to regulate the distribution and fluctuation which result from its operation. Experience proves that all attempts of the kind must either prove abortive or mischievous. In fact, it may be laid down as a law, that the more universal the demand for specie, and the less that demand is interrupted, the more steady and uniform its value, and the more perfectly, of course, it fulfils the great purpose of circulation, for which it was intended. There are, however, not a few who, taking a different view, have thought it to be the duty of the Government to prohibit the exportation of specie to China, on the very ground which the Senator assumes, and I am not certain but that he himself has been in favor of the measure.

But the Senator did not restrict himself to a reply to my arguments. He introduced personal remarks, which neither self-respect, nor a regard to the cause I support, will permit me to pass without notice, averse as I am to all personal controversies. Not only my education and disposition, but, above all, my conception of the duties belonging to the station I occupy, indisposes me to such controversies. We are sent here, not to wrangle or indulge in personal abuse, but to deliberate and decide on the common interests of the States

of this Union, as far as they have been subjected by the constitution to our jurisdiction. Thus thinking and feeling, and having perfect confidence in the cause I support, I addressed myself, when I was last up, directly and exclusively to the reason of the body, carefully avoiding every remark which had the least personal bearing. In proof of this, I appeal to you, Senators, my witnesses on this occasion.

But it seems that no caution on my part could prevent what I was so anxious to avoid. The Senator, having no pretext to give a personal direction to the discussion, made a premeditated and gratuitous attack on me. I say having no pretext—for there is not a shadow of foundation for the assertion that I called on him and his party to follow my lead, at which he seemed to take offence, as I have already shown. I made no such call, or any thing that could be construed into it. It would have been impertinent, in the relation between myself and his party, at any stage of this question; and absurd at that late period, when every Senator had made up his mind. As there was, then, neither provocation nor pretext, what could be the motive of the Senator in making the attack? It could not be to indulge in the pleasure of personal abuse, the lowest and basest of all our passions, and which is so far beneath the dignity of the Senator's character and station. Nor could it be with the view to intimidation. The Senator knows me too long and too well to make such an attempt. I am sent here by constituents as respectable as those he represents, in order to watch over their peculiar interests and take care of the general concern; and if I were capable of being deterred by any one, or any consequence, in discharging my duty—from denouncing what I regard as dangerous or corrupt, or giving a decided and zealous support to what I think right and expedient—I would, in shame and confusion, return my commission to the patriotic and gallant State I represent, to be placed in more resolute and trustworthy hands.

If, then, neither the one nor the other of these be the motive, what, I again repeat, can it be? In casting my eyes over the whole surface, I can see but one—which is, that the Senator, despairing of the sufficiency of his reply to overthrow my arguments, had resorted to personalities, in the hope, with their aid, to effect what he could not accomplish by main strength. He well knows that the force of an argument, on moral or political subjects, depends greatly on the character of him who advances it; and that, to cast suspicion on his motive, or to shake confidence in his understanding, is often the most effectual mode of destroying its force. Thus viewed, his personalities may be fairly regarded as constituting a part of his reply to my argument; and we, accordingly, find the Senator throwing them in front, like a skilful general, in order to weaken my arguments, before he brought on his main attack. In repelling, then, his personal attacks, I also defend the cause which I advocate. It is against that his blows are aimed, and he strikes at it through me, because he believes his blows will be the more effectual.

Having given this direction to his reply, he had imposed on me a double duty to repel his attacks—duty to myself and the cause I support. I shall not decline its performance; and when it is discharged, I trust I shall have placed my character as far beyond the shafts which he has hurled at it, as my arguments have proved to be above his abilities to refute. In doing this, I shall be compelled to speak of myself. No one can be more sensible than I am, how odious it is to speak of one's self. I shall endeavor to confine myself within the limits of the strictest propriety; but if any thing should escape me that may wound the most delicate ear, the odium ought, in justice, to fall, not on me, but the Senator who, by his unprovoked and wanton attack, has imposed on me the painful necessity of speaking of myself.

The leading charge of the Senator—that on which all others depend, and which, being overthrown, they fall to the

ground—is, that I have gone over; have left his side, and joined the other. By this vague and indefinite expression I presume he meant to imply that I had either changed my opinion, or abandoned my principles, or deserted my party. If he did not mean one or all; if I have changed neither opinions, principles, nor party, then the charge meant nothing deserving notice. But if he intended to imply, what I have presumed he did, I take issue on the fact—I meet and repel the charge. It happened fortunately for me, fortunately for the cause of truth and justice, that it was not the first time I had offered my sentiments on the question now under consideration. There is scarcely a single point in the present issue, on which I did not explicitly express my opinion four years ago, in my place here, when the removal of the deposits, and the questions connected with it, were under discussion—so explicitly as to repel effectually the charge of any change on my part, and to make it impossible for me to pursue any other course than that which I have taken, without involving myself in gross inconsistency. I intend not to leave so important a point to rest on my bare assertion. What I assert stands on record, which I now hold in my possession, and intend, at the proper time, to introduce and read. But before I do this, it will be proper I should state the questions now at issue, and my course in relation to them; so that, having a clear and distinct perception of them, you may, Senators, readily and satisfactorily compare and determine whether my course on the present occasion coincides with the opinions I then expressed.

There are three questions, as is agreed by all, involved in the present issue; Shall we separate the government from the banks? or shall we revive the league of State banks? or create a National Bank? My opinion and course in reference to each are well known. I prefer the separation to either of the others; and, as between the other two, I regard a National Bank as a more efficient and a less corrupting fis-

cal agent than a league of State banks. It is also well known that I have expressed myself on the present occasion hostile to the banking system as it exists, and against the constitutional power of making a bank, unless on the assumption that we have the right to receive and treat bank-notes as cash in our fiscal operations, which I, for the first time, have denied on the present occasion. Now, I entertained and expressed all these opinions, on a different occasion, four years ago, except the right of receiving bank-notes, in regard to which I then reserved my opinion; and if all this should be fully and clearly established by the record, from speeches delivered and published at the time, the charge of the Senator must, in the opinion of all, however prejudiced, sink to the ground. I am now prepared to introduce and have the record read. I delivered two speeches in the session of 1833–34—one on the removal of the deposits, and the other on the question of the renewal of the charter of the late Bank. I ask the Secretary to turn to the volume lying before him, and read the three paragraphs marked in my speech on the deposits. I will thank him to raise his voice and read slowly, so that he may be distinctly heard; and I must ask you, Senators, to give your attentive hearing, for on the coincidence between my opinions then and my course now, my vindication against this unprovoked and groundless charge rests.

"If, said Mr. C., this was a question of bank or no bank; if it involved the existence of the banking system, it would indeed be a great question—one of the first magnitude: and, with my present impression, long entertained and daily increasing, I would hesitate, long hesitate, before I would be found under the banner of the system. I have great doubts (if doubts they may be called) as to the soundness and tendency of the whole system, in all its modifications. I have great fears that it will be found hostile to liberty and the advance of civilization; fatally hostile to liberty in our country, where the system exists in its worst and most dangerous form. Of all institutions affecting the great question of the distribution of wealth—a question least explored, and the most important of any in the whole range of political economy—the banking institution has, if not

the greatest, among the greatest, and, I fear, most pernicious influence on the mode of distribution. Were the question really before us, I would not shun the responsibility, great as it might be, of freely and fully offering my sentiments on these deeply-important points; but as it is, I must content myself with the few remarks which I have thrown out.

"What, then, is the real question which now agitates the country? I answer, it is a struggle between the executive and legislative departments of the Government; a struggle, not in relation to the existence of the Bank, but which, Congress or the President, should have the power to create a bank, and the consequent control over the currency of the country. This is the real question. Let us not deceive ourselves. This league, this association of banks, created by the Executive, bound together by its influence, united in common articles of association, vivified and sustained by receiving the deposits of the public money, and having their notes converted, by being received everywhere by the treasury, into the common currency of the country, is, to all intents and purposes, a Bank of the United States, the Executive Bank of the United States, as distinguished from that of Congress.

"However it might fail to perform satisfactorily the useful functions of the Bank of the United States, as incorporated by law, it would outstrip it, far outstrip it, in all its dangerous qualities: in extending the power, the influence, and the corruption of the Government. It was impossible to conceive any institution more admirably calculated to advance these objects. Not only the selected banks, but the whole banking institutions of the country, and, with them, the entire money power, for the purposes of speculation, peculation, and corruption, would be placed under the control of the Executive. A system of menaces and promises would be established: of menaces to the banks in possession of the deposits, but which might not be entirely subservient to Executive views, and of promises of future favors to those who may not as yet enjoy its favors. Between the two, the banks would be left without influence, honor, or honesty; and a system of speculation and stock-jobbing would commence unequalled in the annals of our country.

"So long as the question is one between a Bank of the United States, incorporated by Congress, and that system of banks which has been created by the will of the Executive, it is an insult to the understanding to discourse on the pernicious tendency and unconstitutionality of the Bank of the United States. To bring up that question fairly and legitimately, you must go one step further—you must *divorce* the Government and the banking system. You must refuse all connection with banks. You must neither receive nor pay away bank-notes; you must go back to the old system of the strong box, and of gold and silver. If you have a right to

receive bank-notes at all—to treat them as money by receiving them in your dues, or paying them away to creditors—you have a right to create a bank. Whatever the Government receives and treats as money is money; and if it be money, then they have the right, under the constitution, to regulate it. Nay, they are bound, by a high obligation, to adopt the most efficient means, according to the nature of that which they have recognized as money, to give to it the utmost stability and uniformity of value. And if it be in the shape of bank-notes, the most efficient means of giving those qualities, is a Bank of the United States, incorporated by Congress. Unless you give the highest practical uniformity to the value of bank-notes—so long as you receive them in your dues and treat them as money, you violate that provision of the constitution which provides that taxation shall be uniform throughout the United States. There is no other alternative. I repeat, you must *divorce* the Government entirely from the banking system, or, if not, you are bound to incorporate a bank, as the only safe and efficient means of giving stability and uniformity to the currency. And should the deposits not be restored, and the present illegal and unconstitutional connection between the Executive and the league of banks continue, I shall feel it my duty, if no one else moves, to introduce a measure to prohibit Government from receiving or touching bank-notes in any shape whatever, as the only means left of giving safety and stability to the currency, and saving the country from corruption and ruin."

Such were my sentiments, delivered four years ago, on the question of the removal of the deposits, and now standing on record; and I now call your attention, Senators, while they are fresh in your minds, and before other extracts are read, to the opinions I then entertained and expressed, in order that you may compare them with those which I have expressed, and the course I have pursued on the present occasion. In the first place, I then expressed myself explicitly and decidedly against the banking system, and intimated, in language too strong to be mistaken, that, if the question was then bank or no bank, as it now is, as far as the Government is concerned, I would not be found on the side of the bank. Now, I ask, I appeal to the candor of all, even the most prejudiced, is there any thing in all this contradictory to my present opinions or course? On the contrary, having

entertained and expressed these opinions, could I at thi time, when the issue I then supposed is actually presented have gone against the separation without gross inconsistency Again: I then declared myself to be utterly opposed to combination or league of State banks, as being the mos inefficient and corrupting fiscal agent the Government coul select, and more objectionable than a Bank of the Unite States. I again appeal, is there a sentiment or a word in al this contradictory to what I have said or done on the presen occasion? So far otherwise, is there not a perfect harmon and coincidence throughout, which, considering the distanc of time and the difference of the occasion, is truly remark able—and this extending to all the great and governing ques tions now at issue?

But the removal of the deposits was not the only que tion discussed at that remarkable and important sessio The charter of the United States Bank was then about t expire. The Senator from Massachusetts nearest me (M Webster), then at the head of the Committee on Financ suggested, in his place, that he intended to introduce a bi to renew the charter. I clearly perceived that the move ment, if made, would fail; and that there was no prospe of doing any thing to arrest the danger approaching, unle the subject was taken up on the broad question of the cu rency, and that, if any connection of the Government wit the banks could be justified at all, it must be in that rel tion. I am not among those who believe that the currenc was in a sound condition when the deposits were removed i 1834. I then believed, and experience has proved I was co rect, that it was deeply and dangerously diseased; and th the most efficient measures were necessary to prevent t catastrophe which has since befallen the circulation of t country. There was then not more than one dollar in speci on an average, in the banks, including the United Stat Bank and all, for six of bank-notes in circulation; and n

more than one in eleven compared to the liabilities of the banks,—and this while the United States Bank was in full and active operation; which proves conclusively that its charter ought not to be renewed, if renewed at all, without great modifications. I saw, also, that the expansion of the circulation, great as it then was, must still further increase; that the disease lay deep in the system; that the terms on which the charter of the Bank of England was renewed would give a western direction to specie, which, instead of correcting the disorder, by substituting specie for bank-notes in our circulation, would become the basis of new banking operations that would greatly increase the swelling tide. Such were my conceptions then, and I honestly and earnestly endeavored to carry them into effect, in order to prevent the approaching catastrophe.

The political and personal relations between myself and the Senator from Massachusetts (Mr. Webster) were then not the kindest. We stood in opposition, at the preceding session, on the great question growing out of the conflict between the State I represented and the General Government, which could not pass away without leaving unfriendly feelings on both sides; but, where duty is involved, I am not in the habit of permitting my personal relations to interfere. In my solicitude to avert coming dangers, I sought an interview, through a common friend, in order to compare opinions as to the proper course to be pursued. We met, and conversed freely and fully, but parted without agreeing. I expressed to him my deep regret at our disagreement, and informed him that, although I could not agree with him, I would throw no embarrassment in his way, but should feel it to be my duty, when he made his motion to introduce a bill to renew the charter of the bank, to express my opinions at large on the state of the currency, and the proper course to be pursued, which I accordingly did. On that memorable occasion I stood almost alone. One party supported the

league of State banks, and the other the United States Bank, the charter of which the Senator from Massachusetts (Mr. Webster) proposed to renew for six years. Nothing was left me but to place myself distinctly before the country on the ground I occupied; which I did, fully and explicitly, in the speech I delivered on the occasion. In justice to myself, I ought to have every word of it read on the present occasion. It would, of itself, be a full vindication of my course. I stated and enlarged on all the points to which I have already referred; objected to the recharter, as proposed by the mover, and foretold that what has since happened would follow, unless something effectual was done to prevent it. As a remedy, I proposed to use the Bank of the United States as a temporary expedient, fortified with strong guards, in order to resist and turn back the swelling tide of circulation. With this view, I proposed to prohibit the issue of any note under ten dollars at first, and, after a certain interval, under twenty; and to refuse to receive the notes of any bank that issued notes under five dollars, or that received the notes of any bank that issued less, in order to make a total separation between the banks that should refuse to discontinue the issue of small notes and the others, in the hope that the influence of the latter, with the voice of the community, would ultimately compel a discontinuance. I proposed that the charter, with these and other provisions that might be devised by a committee appointed for the purpose, should be renewed for twelve years, two years longer than the Bank of England had been, in order to avail ourselves of the experience and wisdom of that great and enlightened nation. All this I proposed expressly on the ground of undoing the system, gradually and slowly, until a total disconnection should be effected, if experience should show that it could be carried to that extent. My object was double—to get clear of the system, and to avert the catastrophe which has since befallen us, and which I then saw was approaching.

To prove all this, I again refer to the record. If it shall appear from it that my object was to disconnect the Government, gradually and cautiously, from the banking system—and with that view, and that only, I proposed to use the United States Bank for a short time—and that I explicitly expressed the same opinions then as I now have on almost every point connected with the system—I shall not only have vindicated my character from the charge of the Senator from Kentucky, but shall do more, much more, to show that I did all an individual, standing alone, as I did, could do, to avert the present calamities, and, of course, am free from all responsibility for what has since happened. I have shortened the extracts as far as was possible to do myself justice, and have left out much that ought, of right, to be read in my defence, rather than to weary the Senate. I know how difficult it is to command attention to the reading of documents; but I trust that this, where justice to a member of the body, whose character has been assailed without the least provocation, requires it, will form an exception. The extracts are numbered, and I will thank the Secretary to pause at the end of each, unless otherwise desired.

[The Secretary here read the following extract:

"After a full survey of the whole subject, I see none,—I can conjecture no means of extricating the country from its present danger, and to arrest its further increase, but a bank,—the agency of which, in some form or under some authority, is indispensable. The country has been brought into the present diseased state of the currency by banks, and must be extricated by their agency. We must, in a word, use a bank to unbank the banks, to the extent that may be necessary to restore a safe and stable currency; just as we apply snow to a frozen limb in order to restore vitality and circulation, or hold up a burn to the flame to extract the inflammation. All must see that it is impossible to suppress the banking system at once. It must continue for a time. Its greatest enemies, and the advocates of an exclusive specie circulation, must make it a part of their system to tolerate the banks for a longer or a shorter period. To suppress them at once would, if it were possible, work a greater revolution—a greater change in the relative condition of the various classes of the community, than would

the conquest of the country by a savage enemy. What, then, must be done? I answer, a new and safe system must gradually grow up under and replace the old; imitating, in this respect, the beautiful process we sometimes see of a wounded or diseased part in a living organic body gradually superseded by the healing process of nature."]

After having so expressed myself, which clearly shows that my object was to use the Bank for a time in such a manner as to break the connection with the system without a shock to the country or currency, I then proceeded and examined the question, whether this could be best accomplished by the renewal of the charter of the United States Bank, or through a league of State banks. After concluding what I had to say on that subject, in my deep solicitude I addressed the three parties in the Senate separately, urging such motives as I thought best calculated to act on them, and pressing them to join me in the measure suggested, in order to avert approaching danger. I began with my friends of the State Rights party, and with the administration. I have taken copious extracts from the address to the first, which will clearly prove how exactly my opinion, then, and now, coincides on all questions connected with the banks. I now ask the Secretary to read the extract numbered two.

"Having now stated the measure necessary to apply the remedy, I am thus brought to the question, Can the measure succeed? which brings up the inquiry of how far it may be expected to receive the support of the several parties which compose the Senate, and on which I shall next proceed to make a few remarks.

"First, then: Can the State Rights party give it their support? that party of which I am proud of being a member, and for which I entertain so strong an attachment—the stronger because we are few among many. In proposing this question, I am not ignorant of their long-standing constitutional objection to the Bank, on the ground this was intended to be, as it is usually expressed, a hard-moneyed government—a government whose circulating medium was intended to consist of the precious metals, and for which object the power of coining money and regulating the value thereof was expressly conferred by the constitution. I know how long and how sincerely this opinion has been entertained, and under how many difficulties

it has been maintained. It is not my intention to attempt to change an opinion so firmly fixed, but I may be permitted to make a few observations in order to present, what appears to me to be the true question in reference to this constitutional point—in order that we may fully comprehend the circumstances under which we are placed in reference to it. With this view, I do not deem it necessary to inquire whether, in conferring the power to coin money and to regulate the value thereof, the constitution intended to limit the power strictly to coining money and regulating its value, or whether it intended to confer a more general power over the currency; nor do I intend to inquire whether the word coin is limited simply to the metals, or may be extended to other substances, if, through a gradual change, they may become the medium of the general circulation of the world.

"The very receipt of bank-notes, on the part of the Government, in its dues, would, it is conceded, make them money as far as the Government may be concerned, and, by a necessary consequence, would make them, to a great extent, the currency of the country. I say nothing of the positive provisions in the constitution which declare that 'all duties, imposts, and excises shall be uniform throughout the United States,' which cannot be, unless that in which they are paid should also have, as nearly as practicable, an uniform value throughout the country. To effect this, where bank-notes are received, the banking power is necessary and proper within the meaning of the constitution; and, consequently, if the Government has the right to receive bank-notes in its dues, the power becomes constitutional. Here lies, said Mr. C., the real constitutional question: Has the Government a right to receive bank-notes, or not? The question is not upon the mere power of incorporating a bank, as it has been commonly argued; though, even in that view, there would be as great a constitutional objection to any act on the part of the Executive, or any other branch of the Government, which should unite any association of State banks into one system, as the means of giving the uniformity and stability to the currency which the constitution intends to confer. The very act of so associating or incorporating them into one, by whatever name called, or by whatever department performed, would be, in fact, an act of incorporation.

"But, said Mr. C., my object, as I have stated, is not to discuss the constitutional questions, nor to determine whether the bank be constitutional or not. It is, I repeat, to show where the difficulty lies—a difficulty which I have felt from the time I first came into the public service. I found then, as now, the currency of the country consisting almost entirely of bank-notes. I found the Government intimately connected with the system, receiving bank-notes in its dues, and paying them away, under its appropriations, as cash. The fact was beyond my control; it existed

long before my time, and without my agency; and I was compelled to act on the fact as it existed, without deciding on the many questions which I have suggested as connected with this subject, and on many of which I have never yet formed a definite opinion. No one can pay less regard to precedent than I do, acting here in my representative and deliberative character, on legal or constitutional questions; but I have felt, from the beginning, the full force of the distinction so sensibly taken by the Senator from Virginia (Mr. Leigh), between doing and undoing an act, and which he so strongly illustrated in the case of the purchase of Louisiana. The constitutionality of that act was doubted by many at the time, and, among others, by its author himself; yet he would be considered a madman who, coming into political life at this late period, should now seriously take up the question of the constitutionality of the purchase, and coming to the conclusion that it was unconstitutional, should propose to rescind the act, and eject from the Union two flourishing States and a growing territory."

I next ask the attention of the Senators, especially from the Northern States, while the Secretary reads the short address to the opposition, that they may see how distinctly I foresaw what was coming, and how anxious I was to avert the calamity that has fallen on the section where I anticipated it would. I ask the Secretary to read the extract numbered three.

"I next address myself to the members of the opposition, who principally represent the commercial and manufacturing portions of the country, where the banking system has been the furthest extended, and where a larger portion of the property exists in the shape of credit than in any other section; and to whom a sound, stable currency is most necessary, and the opposite most dangerous. You have no constitutional objection; to you it is a mere question of expediency; viewed in this light, can you vote for the proposed measure? a measure designed to arrest the approach of events which I have demonstrated must, if not arrested, create convulsions and revolutions; and to correct a disease which must, if not corrected, subject the currency to continued agitations and fluctuations, and in order to give that permanence, stability, and uniformity, which are so essential to your prosperity. To effect this may require some diminution on the profits of banking, some temporary sacrifice of interest; but, if such should be the fact, it will be compensated in more than a hundredfold proportion, by increased security and durable prosperity. If the

system must advance in the present course without a check, and if explosion must follow, remember that where you stand will be the crater; should the system quake, under your feet the chasm will open that will ingulf your institutions and your prosperity."

I regret to trespass on the patience of the Senate, but I wish, in justice to myself, to ask their attention to one more, which, though not immediately relating to the question under consideration, is not irrelevant to my vindication. I not only expressed my opinions freely in relation to the currency and the bank, in the speech from which such copious extracts have been read, but had the precaution to define my political position distinctly in reference to the political parties of the day, and the course I would pursue in relation to each. I then, as now, belonged to the party to which it is my glory ever to have been attached exclusively; and avowed, explicitly, that I belonged to neither of the two parties, opposition or administration, then contending for superiority, which of itself ought to go far to repel the charge of the Senator from Kentucky, that I have gone over from one party to the other. The Secretary will read the last extract.

"I am the partisan, as I have said, of no class, nor, let me add, of any political party. I am neither of the opposition nor of the administration. If I act with the former in any instance, it is because I approve of their course on the particular occasion; and I shall always be happy to act with them when I do approve. If I oppose the administration; if I desire to see power change hands, it is because I disapprove of the general course of those in authority; because they have departed from the principles on which they came into office; because, instead of using the immense power and patronage put into their hands to secure the liberty of the country and advance the public good, they have perverted them into party instruments for personal objects. But mine has not been, nor will it be a systematic opposition. Whatever measure of theirs I may deem right, I shall cheerfully support, and I only desire that they shall afford me more frequent occasions for support, and fewer for opposition, than they have heretofore done."

Such, Senators, are my recorded sentiments in 1834.

They are full and explicit on all the questions involved in the present issue, and prove, beyond the possibility of doubt, that I have changed no opinion, abandoned no principle, nor deserted any party. I stand now on the ground I stood on then; and, of course, if my relations to the two opposing parties are changed—if I now act with those that I then opposed, and oppose those with whom I then acted, the change is not in me. I, at least, have stood still. In saying this, I accuse none of changing. I leave others to explain their position now and then, if they deem explanation necessary. But, if I may be permitted to state my opinion, I would say that the change is rather in the questions and the circumstances, than in the opinions or principles of either of the parties. The opposition were then, and are now, National Bank men; and the administration, in like manner, were anti-National Bank, and in favor of a league of State banks; while I preferred then, as now, the former to the latter, and a divorce from banks to either. When the experiment of the league failed, the administration was reduced to the option between a National Bank and a divorce. They chose the latter, and such, I have no reason to doubt, would have been their choice had the option been the same four years ago. Nor have I any doubt, had the option been then between a league of banks and divorce, the opposition then, as now, would have been in favor of the league. In all this there is more apparent than real change. As to myself, there has been neither. If I acted with the opposition and opposed the administration then, it was because I was openly opposed to the removal of the deposits and the league of banks, as I now am; and if I now act with the latter and oppose the former, it is because I am now, as then, in favor of a divorce, and opposed to either a league of State banks or a National Bank, except, indeed, as the means of effecting a divorce gradually and safely. What, then, is my offence? What but refusing to abandon my first choice,

the divorce from the banks, because the administration has selected it, and of going with the opposition for a National Bank, to which I have been, and am still opposed? That is all; and for this I am charged with going over—leaving one party and joining the other.

Had some guardian angel, Mr. President, whispered in my ear, at the time, "Be cautious what you say; this question will not terminate here; four years hence it will be revived under very different circumstances, when your principles and duty will compel you to act with those you now oppose, and oppose those with whom you now act, and when you will be charged with desertion of principles," I could not have guarded myself more effectually than I have done. Yet, in the face of all this, the Senator has not only made the charge, but has said, in his place, that he heard, for the first time in his life, at the extra session, that I was opposed to a National Bank! I could place the Senator in a dilemma from which there is no possibility of escape. I might say to him, you have either forgotten or not what I said in 1834. If you have not, how can you justify yourself in making the charge you have? But if you have—if you have forgotten what is so recent, and what, from the magnitude of the question and the importance of the occasion, was so well calculated to impress itself on your memory, what possible value can be attached to your recollection or opinions as to my course on more remote and less memorable occasions, on which you have undertaken to impeach my conduct? He may take his choice.

Having now established, by the record, that I have changed no opinion, abandoned no principle, nor deserted any party, the charge of the Senator, with all the aspersions with which he accompanied it, falls prostrate to the earth. Here I might leave the subject, and close my vindication. But I choose not. I shall follow the Senator up, step by

step, in his unprovoked, and, I may now add, groundless attack, with blows not less decisive and victorious.

The Senator next proceeded to state that, in a certain document (if he named it, I did not hear him), I assigned as the reason why I could not join in the attack on the administration, that the benefit of the victory would not inure to myself or my party; or, as he explained himself, because it would not place myself and them in power. I presume he referred to a letter in answer to an invitation to a public dinner offered me by my old and faithful friends and constituents of Edgefield, in approbation of my course at the extra session.

[Mr. Clay: "I do."]

The pressure of domestic engagements would not permit me to accept their invitation; and, in declining it, I deemed it due to them and myself to explain my course, in its political and party bearing, more fully than I had done in debate. They had a right to know my reasons, and I expressed myself with the frankness due to the long and uninterrupted confidence that had ever existed between us.

Having made these explanatory remarks, I now proceed to meet the assertion of the Senator. I again take issue on the fact. I assigned no such reason as the Senator attributes to me. I never dreamed nor thought of such a one; nor can any force of construction extort it from what I said. No: my object was not power or place, either for myself or party. It was far more humble and honest. It was to save ourselves and our principles from being absorbed and lost in a party more numerous and powerful, but differing from us on almost every principle and question of policy.

When the suspension of specie payments took place in May last (not unexpected to me), I immediately turned my attention earnestly to the event, considering it as one pregnant with great and lasting consequences. Reviewing the

whole ground, I saw nothing to change in the opinions and principles I had avowed in 1834, and I determined to carry them out as far as circumstances and my ability would enable me. But I saw that my course must be influenced by the position which the two great contending parties might take in reference to the question. I did not doubt that the opposition would rally either on a National Bank or a combination of State banks, with Mr. Biddle's at the head; but I was wholly uncertain what course the administration would adopt, and remained so until the message of the President was received and read by the Secretary at his table. When I saw he went for a divorce, I never hesitated a moment. Not only my opinions and principles, long entertained, and, as I have shown, fully expressed years ago, but the highest political motives, left me no alternative. I perceived, at once, that the object, to accomplish which we had acted in concert with the opposition, had ceased; Executive usurpations had come to an end for the present; and that the struggle of the administration was no longer for power, but to save themselves. I also clearly saw, that if we should unite with the opposition in their attack on the administration, the victory over them, in the position they occupied, would be a victory over us and our principles. It required no sagacity to see that such would be the result. It was as plain as day. The administration had taken position, as I have shown, on the very ground I occupied in 1834, and which the whole State Rights party had taken, at the same time, in the other House, as its journals will prove. The opposition, under the banner of the Bank, were moving against them, for the very reason that they had taken the ground they did.

Now, I ask, What would have been the result if we had joined in the attack? No one can now doubt that the victory over those in power would have been certain and decisive, nor would the consequences have been the least doubtful.

The first fruit would have been a National Bank. The principles of the opposition, and the very object of the attack, would have necessarily led to that. We would have been not only too feeble to resist, but have been committed, by joining in the attack with its avowed object, to go for one, while those who supported the administration would have been scattered to the winds. We should then have had a bank—that is clear; nor is it less certain that, in its train, there would have followed all the consequences which have, and ever will follow, when tried—high duties, overflowing revenue, extravagant expenditures, large surpluses; in a word, all those disastrous consequences which have well nigh overthrown our institutions, and involved the country in its present difficulties. The influence of the institution, the known principles and policy of the opposition, and the utter prostration of the administration party, and the absorption of ours, would have led to these results as certainly as we exist.

I now appeal, Senators, to your candor and justice, and ask, Could I, having all these consequences before me, with my known opinions, and that of the party to which I belong, and to which only I owe fidelity, have acted differently from what I did? Would not any other course have justly exposed me to the charge of having abandoned my principles and party, with which I am now accused so unjustly? Nay, would it not have been worse than folly—been madness in me to have taken any other? And yet, the grounds which I have assumed in this exposition are the very *reasons* assigned in my letter, and which the Senator has perverted, most unfairly and unjustly, into the pitiful, personal, and selfish motive which he has attributed to me. Confirmative of what I say, I again appeal to the record. The Secretary will read the paragraph marked in my Edgefield letter, to which, I presume, the Senator alluded.

"As soon as I saw this state of things, I clearly perceived that a very important question was presented for our determination, which we were compelled to decide forthwith—Shall we continue our joint attack with the Nationals on those in power, in the new position which they have been compelled to occupy? It was clear, with our joint forces, we could utterly overthrow and demolish them; but it was not less clear that the victory would inure, not to us, but exclusively to the benefit of our allies and their cause. They were the most numerous and powerful, and the point of assault on the position which the party to be assaulted had taken in relation to the banks, would have greatly strengthened the settled principles and policy of the National party, and weakened, in the same degree, ours. They are, and ever have been, the decided advocates of a National Bank, and are now in favor of one with a capital so ample as to be sufficient to control the State institutions, and to regulate the currency and exchanges of the country. To join them, with their avowed object, in the attack to overthrow those in power, on the ground they occupied against a bank, would, of course, not only have placed the Government and country in their hands without opposition, but would have committed us, beyond the possibility of extrication, for a bank, and absorbed our party in the ranks of the National Republicans. The first fruits of the victory would have been an overshadowing National Bank, with an immense capital, not less than from fifty to a hundred millions, which would have centralized the currency and exchanges, and with them the commerce and capital of the country, in whatever section the head of the institution might be placed. The next would be the indissoluble union with political opponents, whose principles and policy are so opposite to ours, and so dangerous to our institutions, as well as oppressive to us."

I now ask, Is there any thing in this extract which will warrant the construction that the Senator has attempted to force on it? Is it not manifest that the expression on which he fixes, that the victory would inure, not to us, but exclusively to the benefit of the opposition, alludes not to power or place, but to principle and policy? Can words be more plain? What, then, becomes of all the aspersions of the Senator—his reflections about selfishness and the want of patriotism—and his allusions and illustrations to give them force and effect? They fall to the ground, without deserving a notice, with his groundless accusation.

But, in so premeditated and indiscriminate an attack, it

could not be expected that my motives would entirely escape, and we accordingly find the Senator very charitably leaving it to time to disclose my motive for going over. Leave it to time to disclose my motive for going over! I, who have changed no opinion, abandoned no principle, and deserted no party; I, who have stood still and maintained my ground against every difficulty, to be told that it is left to time to disclose my motive! The imputation sinks to the earth, with the groundless charge on which it rests. I stamp it, with scorn, in the dust. I pick up the shaft, which fell harmless at my feet. I hurl it back. What the Senator charges on me unjustly, *he has actually done.* He went over on a memorable occasion, and did not leave it to time to disclose his motive.

The Senator next tells us that I bore a character for stern fidelity, which he accompanied with remarks implying that I had forfeited it by my course on the present occasion. If he means by stern fidelity a devoted attachment to duty and principle, which nothing can overcome, the character is indeed a high one, and, I trust, not entirely unmerited. I have, at least, the authority of the Senator himself for saying, that it belonged to me before the present occasion; and it is, of course, incumbent on him to show that I have since forfeited it. He will find the task a Herculean one. It would be by far more easy to show the opposite—that, instead of forfeiting, I have strengthened my title to the character; instead of abandoning any principles, I have firmly adhered to them, and that, too, under the most appalling difficulties. If I were to select an instance in the whole course of my life, on which, above all others, to rest my claim to the character which the Senator attributed to me, it would be this very one, which he has selected to prove that I have forfeited it. I acted with the full knowledge of the difficulties I had to encounter, and the responsibility I must incur. I saw a great and powerful party, probably

the most powerful in the country, eagerly seizing on the catastrophe which had befallen the currency, and the consequent embarrassments that followed, to displace those in power, against whom they had been long contending. I saw that, to stand between them and their object, I must necessarily incur their deep and lasting displeasure. I also saw that, to maintain the administration in the position they had taken, to separate the Government from the banks, I would draw down on me, with the exception of some of the Southern banks, the whole weight of that extensive, concentrated, and powerful interest—the most powerful, by far, of any of the whole community; and thus I would unite against me a combination of political and moneyed influence almost irresistible. Nor was this all. I could not but see that, however pure and disinterested my motives, and however consistent my course with all I had ever said or done, I would be exposed to the very charges and aspersions which I am now repelling. The ease with which they could be made, and the temptation to make them, I saw were too great to be resisted by the party morality of the day, groundless as I have demonstrated them to be. But there was another consequence that I could not but foresee, far more painful to me than all others. I but too clearly saw that, in so sudden and complex a juncture, called on as I was to decide on my course instantly—as it were, on the field of battle—without consultation or explaining my reasons, I would estrange, for a time, many of my political friends, who had passed through with me so many trials and difficulties, and for whom I feel a brother's love. But I saw before me the path of duty; and, though rugged and hedged on all sides with these and many other difficulties, I did not hesitate a moment to take it. Yes, *alone*, as the Senator sneeringly says. After I had made up my mind as to my course, in a conversation with a friend about the responsibility I would assume, he remarked that my own State might desert me.

I replied that it was not impossible; but the result has proved that I under-estimated the intelligence and patriotism of my virtuous and noble State. I ask her pardon for the distrust implied in my answer; but I ask, with assurance it will be granted, on the grounds I shall put it—that, in being prepared to sacrifice her confidence, as dear to me as light and life, rather than disobey, on this great question, the dictates of my judgment and conscience, I proved myself not unworthy of being her representative.

But if the Senator, in attributing to me stern fidelity, meant, not devotion to principle, but to party, and especially the party of which he is so prominent a member, my answer is, that I never belonged to his party, nor owed it any fidelity; and, of course, could forfeit, in reference to it, no character for fidelity. It is true, we acted in concert against what we believed to be the usurpations of the Executive; and it is true that, during the time, I saw much to esteem in those with whom I acted, and contracted friendly relations with many, which I shall not be the first to forget. It is also true that a common party designation was applied to the opposition in the aggregate, not, however, with my approbation; but it is no less true that it was universally known that it consisted of two distinct parties, dissimilar in principle and policy, except in relation to the object for which they had united: the National Republican party, and the portion of the State Rights party which had separated from the administration, on the ground that it had departed from the true principles of the original party. That I belonged exclusively to that detached portion, and to neither the opposition nor administration party, I prove by my explicit declaration, contained in one of the extracts read from my speech on the currency in 1834. That the party generally, and the State which I represent in part, stood aloof from both of the parties, may be established from the fact that they refused to mingle in the party and political contests of the day. My State

withheld her electoral vote in two successive presidential elections; and, rather than bestow it on either the Senator from Kentucky, or the distinguished citizen whom he opposed, in the first of those elections, she threw her vote on a patriotic citizen of Virginia, since deceased, of her own politics, but who was not a candidate; and, in the last, she refused to give it to the worthy Senator from Tennessee near me (Judge White), though his principles and views of policy approached so much nearer to hers than that of the party to which the Senator from Kentucky belongs. But, suppose the fact was otherwise, and that the two parties had blended so as to form one, and that I owed to the united party as much fidelity as I do to that to which I exclusively belonged; even on that supposition, no conception of party fidelity could have controlled my course on the present occasion. I am not among those who pay no regard to party obligations; on the contrary, I place fidelity to party among the political virtues, but I assign to it a limited sphere. I confine it to matters of detail and arrangement, and to minor questions of policy. Beyond that, on all questions involving principles, or measures calculated to affect materially the permanent interests of the country, I look only to God and my country.

And here, Mr. President, I avail myself of the opportunity to declare my present political position, so that there may be no mistake hereafter. I belong to the old Republican State Rights party of 1798. To that, and that alone, I owe fidelity, and by that I shall stand through every change, and in spite of every difficulty. Its creed is to be found in the Kentucky Resolutions, and Virginia Resolutions and Report; and its policy is to confine the action of this Government within the narrowest limits compatible with the peace and security of these States, and the objects for which the Union was expressly formed. I, as one of the party, shall support all who support its principles and policy, and oppose all who oppose them. I have given, and shall con-

tinue to give, the administration a hearty and sincere support on the great question now under discussion; because I regard it as in strict conformity with our creed and policy, and shall do every thing in my power to sustain them under the great responsibility which they have assumed. But let me tell those who are more interested in sustaining them than myself, that the danger which threatens them lies not here, but in another quarter. This measure will tend to uphold them, if they stand fast and adhere to it with fidelity. But, if they wish to know where the danger is, let them look to the fiscal department of the Government. I said, years ago, that we were committing an error the reverse of the great and dangerous one that was committed in 1828, and to which we owe our present difficulties, and all we have since experienced. Then, we raised the revenue greatly, when the expenditures were about to be reduced by the discharge of the public debt; and now, we have doubled the disbursements, when the revenue is rapidly decreasing: an error, which, although probably not so fatal to the country, will prove, if immediate and vigorous measures be not adopted, far more so to those in power. The country will not, and ought not, to bear the creation of a new debt beyond what may be temporarily necessary to meet the present embarrassment; and any attempt to increase the duties must and ought to prove fatal to those who make it, so long as the expenditures may, by economy and accountability, be brought within the limits of the revenue.

But the Senator did not confine his attack to my conduct and motives in reference to the present question. In his eagerness to weaken the cause I support, by destroying confidence in me, he made an indiscriminate attack on my intellectual faculties, which he characterized as metaphysical, eccentric, too much of genius, and too little common sense, and, of course, wanting a sound and practical judgment.

Mr. President, according to my opinion, there is nothing of

which those who are endowed with superior mental faculties ought to be more cautious than to reproach those with their deficiency to whom Providence has been less liberal. The faculties of our mind are the immediate gift of our Creator, for which we are no further responsible than for their proper cultivation, according to our opportunities, and their proper application to control and regulate our actions. Thus thinking, I trust I shall be the last to assume superiority on my part, or reproach any one with inferiority on his; but those who do not regard the rule when applied to others, cannot expect it to be observed when applied to themselves. The critic must expect to be criticized, and he who points out the faults of others, to have his own pointed out.

I cannot retort on the Senator the charge of being metaphysical. I cannot accuse him of possessing the powers of analysis and generalization, those higher faculties of the mind (called metaphysical by those who do not possess them) which decompose and resolve into their elements the complex masses of ideas that exist in the world of mind, as chemistry does the bodies that surround us in the material world; and without which those deep and hidden causes which are in constant action, and producing such mighty changes in the condition of society, would operate unseen and undetected. The absence of these higher qualities of mind is conspicuous throughout the whole course of the Senator's public life. To this it may be traced that he prefers the specious to the solid, and the plausible to the true. To the same cause, combined with an ardent temperament, it is owing that we ever find him mounted on some popular and favorite measure, which he whips along, cheered by the shouts of the multitude, and never dismounts till he has ridden it down. Thus, at one time we find him mounted on the protective system, which he rode down; at another, on internal improvement; and now he is mounted on a bank, which will surely share the same fate, unless those who are immediately

interested shall stop him in his headlong career. It is the fault of his mind to seize on a few prominent and striking advantages, and to pursue them eagerly, without looking to consequences. Thus, in the case of the protective system, he was struck with the advantages of manufactures; and, believing that high duties was the proper mode of protecting them, he pushed forward the system, without seeing that he was enriching one portion of the country at the expense of the other; corrupting the one and alienating the other; and, finally, dividing the community into two great hostile interests, which terminated in the overthrow of the system itself. So, now, he looks only to an uniform currency, and a bank as a means of securing it, without once reflecting how far the banking system has progressed, and the difficulties that impede its further progress; that banking and politics are running together, to their mutual destruction; and that the only possible mode of saving his favorite system is to separate it from the Government.

To the defects of understanding which the Senator attributes to me, I make no reply. It is for others, and not me, to determine what portion of understanding it has pleased the Author of my being to bestow on me. It is, however, fortunate for me, that the standard by which I shall be judged is not the false, prejudiced, and, as I have shown, unfounded opinion which the Senator has expressed, but my acts. They furnish materials, neither few nor scant, to form a just estimate of my mental faculties. I have now been more than twenty-six years continuously in the service of this Government, in various stations, and have taken part in almost all the great questions which have agitated this country during this long and important period. Throughout the whole I have never followed events, but have taken my stand in advance, openly and freely, avowing my opinions on all questions, and leaving it to time and experience to condemn or approve my course. Thus acting, I have often, and on

great questions, separated from those with whom I usually acted; and if I am really so defective in sound and practical judgment as the Senator represents, the proof, if to be found any where, must be found in such instances, or where I have acted on my sole responsibility. Now, I ask, in which of the many instances of the kind is such proof to be found? It is not my intention to call to the recollection of the Senate all such; but that you, Senators, may judge for yourselves, it is due, in justice to myself, that I should suggest a few of the most prominent, which at the time were regarded as the Senator now considers the present; and then, as now, because, where duty is involved, I would not submit to party trammels.

I go back to the commencement of my public life, the war session, as it was usually called, of 1812, when I first took my seat in the other House, a young man without experience to guide me, and I shall select, as the first instance, the navy. At that time, the administration and the party to which I was strongly attached were decidedly opposed to this important arm of service. It was considered anti-republican to support it; but acting with my then distinguished colleague, Mr. Cheves, who led the way, I did not hesitate to give it my hearty support, regardless of party ties. Does this instance sustain the charge of the Senator?

The next I shall select is, the restrictive system of that day; the Embargo, the Non-Importation and Non-Intercourse Acts. This, too, was a party measure, which had been long and warmly contested, and, of course, the lines of party well drawn. Young and inexperienced as I was, I saw its defects, and resolutely opposed it, almost alone of my party. The second or third speech I made, after I took my seat, was in open denunciation of the system; and I may refer to the grounds I then assumed, the truth of which has been confirmed by time and experience, with pride and confidence.

This will scarcely be selected by the Senator to make good his charge.

I pass over other instances, and come to Mr. Dallas's bank of 1814–15. That, too, was a party measure. Banking was then comparatively but little understood, and it may seem astonishing, at this time, that such a project should ever have received any countenance or support. It proposed to create a bank of $50,000,000, to consist almost entirely of what was then called the war stocks; that is, the public debt created in carrying on the then war. It was provided that the bank should not pay specie during the war, and for three years after its termination,—for carrying on which it was to lend the Government the funds. In plain language, the Government was to borrow back its own credit from the bank, and pay to the institution six per cent. for its use. I had scarcely ever before seriously thought of banks or banking, but I clearly saw through the operation, and the danger to the Government and country; and, regardless of party ties or denunciations, I opposed and defeated it in the manner I explained at the extra session. I then subjected myself to the very charge which the Senator now makes; but time has done me justice, as it will in the present instance.

Passing the intervening instances, I come down to my administration of the War Department, where I acted on my own judgment and responsibility. It is known to all that the department, at the time, was perfectly disorganized, with not much less than $50,000,000 of outstanding and unsettled accounts—and the greatest confusion in every branch of service. Though without experience, I prepared, shortly after I went in, the bill for its organization, and on its passage I drew up the body of rules for carrying the act into execution, both of which remain substantially unchanged to this day. After reducing the outstanding accounts to a few millions, and introducing order and accountability in every

branch of service, and bringing down the expenditure of the army from four to two and a half millions annually, without subtracting a single comfort from either officer or soldier, I left the department in a condition that might well be compared to the best in any country. If I am deficient in the qualities which the Senator attributes to me, here, in this mass of details and business, it ought to be discovered. Will he look to this to make good his charge ?

From the War Department I was transferred to the chair, which you now occupy. How I acquitted myself in the discharge of its duties, I leave it to the body to decide, without adding a word. The station, from its leisure, gave me a good opportunity to study the genius of the prominent measure of the day, called then the American System, of which I profited. I soon perceived where its errors lay, and how it would operate. I clearly saw its desolating effects in one section, and corrupting influence in the other ; and when I saw that it could not be arrested here, I fell back on my own State, and a blow was given to a system, destined to destroy our institutions if not overthrown, which brought it to the ground. This brings me down to the present time, and where passions and prejudices are yet too strong to make an appeal with any prospect of a fair and impartial verdict. I then transfer this, and all my subsequent acts, including the present, to the tribunal of posterity, with a perfect confidence that nothing will be found, in what I have said or done, to impeach my integrity or understanding.

I have now, Senators, repelled the attacks on me. I have settled the account and cancelled the debt between me and my accuser. I have not sought this controversy, nor have I shunned it when forced on me. I have acted on the defensive, and if it is to continue (which rests with the Senator), I shall throughout continue so to act. I know too well the advantage of my position to surrender it. The Senator commenced the controversy, and it is but right that he

should be responsible for the direction it shall hereafter take. Be his determination what it may, I stand prepared to meet him.

SPEECH

On the Independent Treasury Bill, in reply to Mr. Webster, delivered in the Senate, March 22d, 1838.

Mr. President: After having addressed the Senate twice, I should owe an apology, under ordinary circumstances, for again intruding myself on its patience. But, after all that fell from the Senator from Massachusetts nearest to me (Mr. Webster), the other day, the greater part of which was not only directed against my arguments, but at me personally, I feel that my silence, and not my notice of his remarks, would require an apology. And yet, notwithstanding I am thus constrained again to address the Senate, I fear it will be impossible to avoid exciting some impatience, fatigued and exhausted as it must be by so long a discussion; to prevent which as far as practicable, I shall aim at as much brevity as possible, consistently with justice to myself and the side I support.

The Senator's speech was long and multifarious—consisting of many parts, which had little or no connection with the question under consideration. For the sake of brevity and distinctness, I propose to consider it under four heads. First, his preliminary discourse—which treated at large of credits and banks, with very little reference to the subject. Next, his arguments on the question at issue,—to be followed by his reply to my arguments at this and the extra session—and finally, his conclusion;—which was appropriated wholly to

personal remarks, and a comparison between his and my public course, without having the slightest relation either to the subject, or to any thing I had said in the debate, but which the Senator obviously considered as the most important portion of his speech. He devoted one day almost wholly to it; and delivered himself with an earnestness and vehemence which clearly manifested the importance which he had attached to it. I shall, as in duty bound, pay my respects first to that which so manifestly occupied the highest place in his estimation, though standing at the bottom in the order of his remarks.

The Senator opened this portion of his speech with much courtesy, accompanied by many remarks of respect and regard,—which I understood as an intimation that he desired the attack he was about to make, to be attributed to political and not personal motives. I accept the intimation, and shall meet him in the sense he intended. Indeed, there never has been between the Senator and myself the least personal difference; nor has a word, having a personal bearing, ever passed between us in debate prior to the present occasion, within my recollection, during the long period we have been in public life,—except on the discussion of the Force Bill and Proclamation; which, considering how often we have stood opposed on deep and exciting questions, may be regarded as not a little remarkable. But our political relations have not been on as good a footing as our personal. He seems to think that we had harmonized pretty well till 1824, when, according to his version, I became too sectional for him to act any longer with me; but which, I shall hereafter show, originated in a very different cause. My impression, I must say, is different, very different from that of the Senator. From the commencement of our public life to the present time, we have differed on almost all questions involving all the principles of the Government and its permanent policy, with the exception of a short interval, while I was in the War Depart-

ment, when the Senator agreed with the South on the protective system and some other measures. I do not consider our casual concert during the last few years of the late administration, when we were both opposed to Executive power, as constituting an exception. It was understood that we both adhered to our principles and views of policy without the least change; and our personal relations were formal and cold during the whole period. In fact, we moved in entirely different spheres. We differed in relation to the origin and character of the Government, the principles on which it rested, and the policy it ought to pursue; and I could not at all sympathize with the grave and deep tone with which the Senator pronounced our final separation, as he was pleased to call it, and which, in my opinion, would have been much more appropriate to the separation of those who had been long and intimately united in the support of the same principles and policy, than to the slight and casual relations, personal and political, which had existed between us.

Setting, then, aside all personal motives, I may well ask, What political grief,—what keen disappointment is it, which at this time could induce him to make his attack on me, and I might add, the manner in which he made it? The Senator himself shall answer the question. He has unfolded the cause of his grief, and pointed to the source of his disappointment. He told us that "victory was within reach, and my co-operation only was wanted to prostrate for ever those in power." These few words are a volume. They disclose all. Yes, victory was within reach, the arm outstretched, the hand expanded to seize it, and I would not co-operate. Hence the grief, hence the keen disappointment, and hence the waters of bitterness that have rolled their billows against me. And what a victory! Not simply the going out of one party and the coming in of another; not merely the expulsion of the administration, and the induction of the opposition; but a great political revolution, carrying with it the

fundamental principles of the Government and a permanent change of policy. It would have brought in, not only the Senator and his party, but their political creed—as announced by him in the discussion on the Proclamation and Force Bill, with which he now taunts those in power—a fact to be noted and remembered. He, the champion of those measures,—against whom I contended foot to foot for one entire session,—now casts up to me, that, in refusing to co-operate with him, I protect the party in power—not a small portion of whom I have good reason to believe, were drawn by the adverse current of the times reluctantly from their own principles to the support of those measures, and with them the Senator and his principles. Yes, I repeat, it would have brought in the Senator and his consolidation doctrines, which regard this Government as one great National Republic, with the right to construe finally and conclusively, the extent of its own powers, and to enforce its construction at the point of the bayonet; doctrines which at a blow sweep away every vestige of State Rights, and reduce the States to mere petty and dependent corporations. It would also have brought in his policy—bank, tariff, and all. Even now, when victory is still uncertain, the Senator announces the approach of the period when he shall move the renewal of the protective system: a precious confession, that dropped out in the heat of discussion.

[Mr. Webster: "No, I spoke deliberately."]

So much the worse. This justifies all I have said and done; this proves my foresight and firmness, and will open the eyes of thousands, especially in the South, who have heretofore doubted the correctness of my course on this question.

The victory would not only have been complete had I co-operated, but it would also have been permanent. The portion of the State Rights party with which I acted would have been absorbed—yes, absorbed; it is the proper word, and I use it in spite of the sarcasm of the Senator. The

other would have been scattered and destroyed, and the Senator and his party, and their principles and policy, would have been left undisputed masters of the field, unresisted and irresistible. The first fruits of the victory would have been the reunion of the political and money power—a wedded union, never more to be dissolved. The tariff would have been renewed—I may now speak positively, after the declaration of the Senator—to be again followed by an overflowing revenue, profuse and corrupt expenditures, heavy surplus, and overwhelming patronage, which would have closed the door of wealth and distinction to all who refused to bend the knee at the shrine of the combined powers. All this was seen and fully cemprehended by the Senator; and hence again, I repeat, his deep grief, his keen disappointment, and his attacks on me for refusing to co-operate.

The Senator must have known that, in refusing, I acted on principles and opinions long entertained and fully declared years ago. In my reply to his associate in this joint war on me, in which I am attacked at once in front and rear, I demonstrated, to the satisfaction of the Senate, the truth of what I assert so completely, that the Senator's associate did not even attempt a denial. And yet, such is the depth of the Senator's grief and disappointment, that it hurried him into a repetition of exploded charges, which, in his cooler moments, he must know to be unfounded. He repeated the stale and refuted charge of a somerset,—of going over, and of being struck with a sudden thought; and summoned up all his powers of irony and declamation, of which he proved himself to be a great master on the occasion, to make my Edgefield letter, in which I assigned my reason for refusing to co-operate, ridiculous. I see in all this but the disappointed hopes of one who had fixed his gaze intensely on power that had eluded his grasp, and who sought to wreak his resentment on him who had refused to put the splendid prize in his hands. He resorted to ridicule, because it was

the only weapon that truth and justice left him. He well knows how much deeper are the wounds they inflict, than the slight punctures that the pointed, but feeble, shafts of ridicule leave behind; and he used the more harmless weapon only because he could not command the more deadly. This is in my hand. I brandish it in his eyes. It is the only one I need, and I intend to use it freely on this occasion.

After pouring out his wailing in such doleful tones, because I would not co-operate in placing him and his party in power, and prostrating my own, the Senator next attacks me because I stated in my Edgefield letter, as I understood him, that I rallied on General Jackson with the view of putting down the tariff by Executive influence. I have looked over that letter with care, and can find no such expression.

[Mr. Webster: "It was used at the extra session."]

I was about to add, that I had often used it, and cannot but feel surprised that the Senator should postpone his notice of it till this late period, if he thought it deserving reply. Why did he not reply to it years ago, when I first used it in debate? But the Senator asked what I meant by Executive influence. Did I mean his veto? He must have asked the question thoughtlessly. He must know that the veto can only apply to bills on their passage, and could not possibly be used in case of existing laws, such as the tariff acts. He also asked if there was concert in putting down the tariff between myself and the present Chief Magistrate? I reply by asking him a question, to which, as a New England man, he cannot object. He has avowed his determination, in a certain contingency, which he thinks is near, that he will move the renewal of the tariff. I ask, Is there concert on that point between him and his associate in this attack? And, finally, he asks if I disclosed my motives then? Yes: I am not in the habit of disguising them. I openly and constantly avowed that it was one of my leading reasons in

supporting General Jackson, because I expected he would use his influence to effect a gradual, but thorough reduction of the tariff, that would bring down the system to the revenue point; and when I saw reason to doubt whether he would accomplish what I deemed so important, I did not wait the event of his election, but moved openly and boldly in favor of State interposition as a certain remedy, which would not fail to effect the reduction, in the event he should disappoint me.

The Senator, after despatching my letter, concluded his speech by volunteering a comparison between his and my public character, not very flattering to me, but highly complimentary to himself. He represented me as sectional; in the habit of speaking constantly of the unconstitutional and oppressive operations of the tariff, which he thought very unpatriotic; of having certain sinister objects in view in calling on the South to unite, and of marching off under the State Rights banner, while he paints himself in the most glowing and opposite colors. There is, Mr. President, no disputing about taste; such are the effects of a difference of organization and education, that what is offensive to one is often agreeable to another. According to my conception, nothing can be more painful than to pronounce our own praise, particularly in contrast with another, even when forced to do so in self-defence; but how one can rise in his place, when neither his motive nor conduct is impeached, and when there is nothing in the question or previous discussion that could possibly justify it, and pronounce an eulogy on himself, which a modest man would blush to pronounce on a Washington or a Franklin to his face, is to me utterly incomprehensible. But if the Senator, in pronouncing his gorgeous piece of autobiography, had contented himself with simply proclaiming, in his deep tone, to the Senate and the assembled multitude of spectators, that he came into Congress as the representative of the American people; that if he was born for any good, it was for the good of the whole people, and the de-

fence of the constitution; that he habitually acted as if in the eyes of the framers of the constitution; that it would be easier to drive these pillars from their bases than to drive or seduce him from his lofty purpose; that he would do nothing to weaken the brotherly love between these States, and every thing that they should remain united, beneficially and thoroughly, for ever,—I would have gazed in silent wonder without uttering a word at the extraordinary spectacle, and the happy self-delusion in which he seems to exist. But when he undertook, not only to erect an image to himself, as an object of self-adoration, but to place alongside of it a carved figure of myself, with distorted limbs and features, to heighten and render more divine his own image, he invited, he challenged—nay, he compelled me to inquire into the high qualities which he arrogates to himself, and the truth of the comparison which he has drawn between us. If the inquiry should excite some reminiscences not very agreeable to the Senator, or disturb the happy self-delusion in which he reposes, he must not blame me, but his own self-sufficiency and boasting at my expense.

"Know thyself," is an ancient maxim, the wisdom of which I never before so fully realized. How imperfectly even the talented and intelligent know themselves! Our understanding, like our eyes, seems to be given, not to see our own features, but those of others. How diffident we ought to be of any favorable opinion we may have formed of ourselves! That one of the distinguished abilities of the Senator, and his mature age, should form so erroneous an opinion of his real character, is indeed truly astonishing. I do not deny that he possesses many excellent qualities. My object is truth, and I intend neither to exaggerate nor detract. But I must say that the character which he attributes to himself is wholly unlike that which really belongs to him. So far from that universal and ardent patriotism that knows neither place nor person, which he ascribes to himself, he is, above all the distinguished

public men with whom I am acquainted, remarkable for a devoted attachment to the interests, the institutions, and the place where Providence has cast his lot. I do not censure him for his local feelings. The Author of our being never intended that creatures of our limited faculties should embrace, with equal intenseness of affection, the remote and the near. Such an organization would lead us constantly to intermeddle with what we would but imperfectly understand, and often to do mischief where we intended good. But the Senator is far from being liable to such a charge. His affections, instead of being too wide and boundless, are too concentrated. Local as his attachment is, it does not embrace all within its limited scope. It takes in but a class even there—powerful, influential, and intelligent,—but still a class which influences and controls all his actions, and so absorbs his affections as to make him overlook large portions of the Union, of which I propose to give one or two striking illustrations.

I must, then, remind the Senator that there is a vast extent of our wide-spread Union, which lies south of Mason and Dixon's line, distinguished by its peculiar soil, climate, situation, institutions, and productions, which he has never encircled within the warm embraces of his universal patriotism. As long as he has been in public life, he has not, to the best of my knowledge, given a single vote to promote its interest, or done an act to defend its rights. I wish not to do him injustice. If I could remember a single instance, I would cite it; but I cannot, in casting my eyes over his whole course, call to mind one. Boundless and ardent, then, as is his patriotism, according to his own account, it turns out that it is limited by metes and bounds, that exclude nearly one-half of the whole Union!

But it may be said, that this total absence of all manifestation of attachment to an entire section of the Union, is not to be attributed to the want of an ardent desire to promote its interest and security, but of the occasion to exhibit

it. Unfortunately for the Senator, such an excuse is without foundation. Opportunities are daily and hourly offering. The section is the weakest of the two, and its peculiar interest and institutions expose it constantly to injustice and oppression, which afford many and fine opportunities to display that generous and noble patriotism which the Senator attributes to himself, and which delights in taking the side of the assailed against the assailant. Even now, at this moment, there is an opportunity, which one professing such ardent and universal attachment to the whole country as the Senator professes, would greedily embrace. A war is now, and has been, systematically and fiercely carried on, in violation of the constitution, against a long-standing and widely-extended institution of that section, which is indispensable, not only to its prosperity, but to its safety and existence, and which calls loudly on every patriot to raise his voice and arm in its defence. How has the Senator acted? Has he raised his mighty arm in defence of the assailed, or thundered forth his denunciations against the assailants? These are searching questions. They test the truth of his universal and boasted attachment to the whole country; and in order that the Senate may compare his acts with his professions, I propose to present more fully the facts of the case, and his course.

It is well known, then, that the section to which I refer is inhabited by two races, from different continents, and descended from different stocks; and that they have existed together under the present relation from the first settlement of the country. It is also well known that the ancestors of the Senator's constituents (I include the section) brought no small portion of the ancestors of the African, or inferior race, from their native home across the ocean, and sold them *as slaves* to the ancestors of our constituents, and pocketed the price, and profited greatly by the traffic. It is also known, that when the constitution was formed, our section felt much jealousy lest the powers which it conferred should

be used to interfere with the relations existing between the two races; to allay which, and induce our ancestors to enter the Union, guards, that were deemed effectual against the supposed danger, were inserted in the instrument. It is also known that the product of the labor of the inferior race has furnished the basis of our widely-extended commerce and ample revenue, which has supported the Government, and diffused wealth and prosperity through the other section. This is one side of the picture. Let us now turn and look at the other.

How has the other section acted? I include not all, nor a majority. We have had recent proof, during the discussion of the resolutions I offered at the commencement of the session, to what great extent just and patriotic feelings exist in that quarter, in reference to the subject under consideration. I then narrow the question, and ask, How has the majority of the Senator's constituents acted, and especially a large portion of his political supporters and admirers? Have they respected the title to our property, which we trace back to their ancestors, and which, in good faith and equity, carries with it an implied warranty, that binds them to defend and protect our rights to the property sold us? Have they regarded their faith plighted to us on entering into the constitutional compact which formed the Union, to abstain from interfering with our property, and to defend and protect us in its quiet enjoyment? Have they acted as those ought who participated so largely in the profits derived from our labor? No; they are striving night and day, in violation of justice, plighted faith, and the constitution, to divest us of our property, to reduce us to the level of those whom they sold to us as slaves, and to overthrow an institution on which our safety depends.

I come nearer home. How has the Senator himself acted? he who has such influence and weight with his constituents, and who boasts of his universal patriotism and

brotherly love and affection for the whole Union? Has he raised his voice to denounce this crying injustice, or his arm to arrest the blow of the assailant, which threatens to dissever the Union, and for ever alienate one-half of the community from the other? Has he uttered a word in condemnation of violated faith, or honor trampled in the dust? No; he has sat quietly in his place, without moving a finger or raising his voice. Without raising his voice, did I say? I mistake. His voice has been raised, not for us, but for our assailants. His arm has been raised, not to arrest the aggressor, but to open the doors of this Chamber, in order to give our assailants an entrance here, where they may aim the most deadly blow against the safety of the Union, and our tranquillity and security. He has thrown the mantle, not of protection, over the constitution, but over the motive and character of those whose daily avocation is to destroy every vestige of brotherly love between these States, and to convert the Union into a curse instead of a blessing. He has done more. The whole Senate have seen him retire from his seat to avoid a vote on one of the resolutions that I moved, with a view to rally the patriotic of every portion of the community against this fell spirit, which threatens to dissolve the Union, and turn the brotherly love and affection in which it originated into deadly hate; which was so obviously true that he could not vote against it, but which he dodged, rather than throw his weight on our side, and against our assailants. And yet, while these things are fresh in our recollection, notorious, known to all, the Senator rises in his place, and proclaims aloud that he comes in as the representative of the United States; that, if he was born for any good, it was for the good of the whole people, and the defence of the constitution; that he always acts as if under the eyes of the framers of the constitution; that it would be easier to drive these pillars from their bases than him from his lofty purpose; that he will do nothing to destroy the

brotherly love between these States, and every thing, that the Union may exist for ever, beneficially and thoroughly for all! What a contrast between profession and performance! What strange and extraordinary self-delusion!

But this is not the only instance. There is another, in which the contrast between the course of the Senator and his lofty pretension of unbounded and ardent patriotism, is not less astonishing. I refer to the protective tariff, and his memorable and inconsistent course in relation to it.

Its history may be told in a few words. It rose subsequent to the late war with Great Britain. The Senator's associate in this attack was its leading supporter and author. Its theory rested on the principle, that all articles which could be made in our country should be protected; and it was an axiom of the system, that its perfection consisted in prohibiting the introduction of all such articles from abroad. To give the restrictions on commerce, necessary to effect its object, a plausible appearance, they were said to be for the protection of home industry, and the system itself received the imposing name of the American System. Its effects were desolating in the staple States. The heavy duties imposed on their foreign exchanges left scarcely enough to the planter to feed and clothe his slaves and educate his children, while wealth and prosperity bloomed around the favored portion of the Union.

The Senator was at first opposed to the system. As far back as the autumn of 1820, he delivered a speech to the citizens of Boston, in Faneuil Hall, in opposition to it, in which he questioned its constitutionality, and denounced its inequality and oppression.

His speech was followed by a series of resolutions embodying the substance of what he had said, and which received the sanction of himself and constituents, who, at that time, were less interested in manufactures than in commerce and navigation, which suffered in common with the great

staple interests of the South. I ask the Secretary to read the resolutions.

"*Resolved*, That no objection ought ever to be made to any amount of taxes equally apportioned, and imposed for the purpose of raising revenue necessary for the support of Government; but that taxes inposed on the people for the sole benefit of any class of men, are equally inconsistent with the principles of our constitution, and with sound judgment.

"*Resolved*, That the supposition that, until the supposed tariff, or some similar measure, be adopted, we are, and shall be dependent on foreigners for the means of subsistence and defence, is, in our opinion, altogether fallacious and fanciful, and derogatory to the character of the nation.

"*Resolved*, That high bounties on such domestic manufactures as are principally benefited by that tariff, favor great capitalists rather than personal industry, or the owners of small capitals, and therefore, that we do not perceive its tendency to promote national industry.

"*Resolved*, That we are equally incapable of discovering its beneficial effects on agriculture, since the obvious consequence of its adoption would be, that the farmer must give more than he now does for all he buys, and receive less for all he sells.

"*Resolved*, That, in our opinion, the proposed tariff, and the principles on which it is avowedly formed, would, if adopted, have a tendency however different may be the motives of those who recommend them, to diminish the industry, impede the prosperity, and corrupt the morals of the people."

What can be more explicit or decided? They hold the very sentiments and language which I have so often held on this floor. That very system was then pronounced to be unconstitutional, unequal, oppressive, and corrupting in its effects, by the Senator and his constituents—for pronouncing which now he accuses me of being sectional, and holding language having a mischievous effect on the rising generation.

Four years after this, in April, 1824, the Senator delivered another speech against the system, in reply to the then Speaker of the House of Representatives, and now his associate on this occasion, in which he again denounced the inequality and oppression of the system with equal force, in

one of the ablest arguments ever delivered on the subject, and in which he completely demolished the reasons of his then opponent. But an event was then fast approaching which was destined to work a mighty and sudden revolution in his views and feelings. A few months after, the Presidential election took place; Mr. Adams was elected by the co-operation of the author of the American System, now the associate of the Senator. Those who had been enemies came together. New political combinations were formed, and the result was a close alliance between the East and the West, of which that system formed the basis. A *new light burst* in on the Senator. A *sudden thought struck him*, but not quite as disinterested as that of the German sentimentalist. He made a *complete somerset*, heels over head; went clear over; deserted the free-trade side in a twinkling, joined the restrictive policy—and then cried out that he could no longer act with me, whom he had left standing where he had just stood—because I was too sectional! At once, every thing the Senator had ever said or done was forgotten—entirely expunged from the tablets of his memory. His whole nature was changed in an instant; and thereafter no measure of protection was too strong for his palate. With a few contortions and slight choking, he even gulped down, a few years after, the bill of abominations—the tariff of 1828—a measure which raised the duties so high as to pass one-half of the aggregate amount, in value, of the whole imports, into the public treasury. I desire it to be noted and remembered that, out of an importation of sixty-four millions of dollars, including every description of imports, the free and dutied articles, the Government took for its share, thirty-two millions under the tariff of 1828; and that the Senator—yes, he, the defender of the constitution and equal protector of every section and interest, voted for that measure, notwithstanding his recent denunciation of the system as unconsti-

tutional, unequal, and oppressive! He did more,—things still more surprising, as the sequel will show.

The protective tariff did not change the character of its operation with the change of the Senator. Its oppressive and corrupting effects grew with its growth, till the burden became intolerable under the tariff of 1828. Desolation spread itself over the entire staple region. Its commercial cities were deserted. Charleston parted with its last ship, and grass grew in her once busy streets. The political condition of the country presented a prospect not less dreary. A deep and growing conflict between the two great sections agitated the whole country, and a vast revenue, beyond its most extravagant wants, gave the Government, especially the Executive branch, boundless patronage and power, which were rapidly changing the character of the Government, and spreading corruption far and wide through every condition of society. Something must be done, and that promptly. Every hope of reformation, or change through this Government, had vanished. The absorbing force of the system had drawn into its support, a fixed majority in the community, which controlled, irresistibly, every department of the Government. But one hope was left short of revolution, and that was in the States themselves, in their sovereign capacity as parties to the constitutional compact. Fortunately for the country and our institutions, one of the members of the Union was found bold enough to interpose her sovereign authority, and declare the protective tariff, that had caused all this mischief, and threatened so much more, to be unconstitutional, and therefore, null, void, and of no effect within her limits; and thus an issue was formed, which brought events to a crisis.

We all remember what followed. The Government prepared to assert, by force, its usurped powers. The Proclamation was issued,—the war message and Force Bill follow-

ed—and the State armed to maintain her constitutional rights. How, now, I ask, did the Senator act in this fearful crisis? he who had, but a short time before, pronounced the system to be unconstitutional, unequal, unjust and oppressive? Did he feel any sympathy for those who felt and thought as he did but a brief period before? Did he make any allowance for their falling into the same errors (if such he then considered them) into which he himself had fallen? Did he show that ardent devotion to preserve the brotherly love between the members of the Union he now so boastingly professes? Did he, who calls himself the defender of the constitution, feel any compunction in resorting to force to execute acts which he had pronounced to be in violation of the constitution? Did he, who manifested such deep distrust of those in power,—who had been foremost in proclaiming their usurpations, and calling on the patriotic of all parties to oppose them, show any dread in clothing the President with unlimited power to crush one of the members of the Union,—and which, after accomplishing that, might be so readily turned to crush the liberty of all? Quite the reverse. A sudden thought again struck him. He again, in a twinkling, forgot the past, and rushed over into the arms of power,—took his position in the front rank, as the champion of the most violent measures, to enforce acts at the point of the bayonet, which he had pronounced unconstitutional, unjust, and oppressive! and this, too, at the hazard of civil war, and the manifest danger of subverting the constitution and liberties of the country; refusing all terms of adjustment, and resisting to the last, with violence, the bill which compromised and settled the conflict! And yet, with all this fresh in the recollection of himself and all present, he can rise in his place and proclaim himself the universal patriot; the defender of the constitution and benefactor of every portion of the Union; the man who has done every thing to preserve brotherly love between its members, and

who is ready to make every sacrifice to make it beneficial to all the parties!

But, what is more extraordinary—what is truly wonderful and astounding, is, that, while these words were on his tongue, he, in the same breath, with a full knowledge of all the disastrous consequences which have, and must necessarily follow the renewal of the protective system, should declare that he anticipates the speedy arrival of the time when he will again undertake to revive the system! More cannot be added. The contrast between the Senator's course and the character which he ascribes to himself, cannot be rendered more striking. I shall not add another instance, many of them as there are at my command. A volume could not more conclusively prove how unfounded are his pretensions to that lofty, universal, and ardent patriotism which he claims for himself—and how strong is the delusion under which he labors in regard to his true character.

Let us now turn and inquire what has been my course; I, whom he represents as sectional—whose course he pronounces to be unfriendly to the Union—because I now call the protective system unconstitutional and oppressive; who, he intimates, desires to unite the South for no patriotic purpose, and represents as going off under the State Rights banner. And here, Mr. President, let me say, I put in no claim to the lofty destiny to which the Senator says he was born. Instead of coming here, like the Senator, as the representative of the whole people, I appear in the more humble character of the representative of one of the States of this Union, sent here to watch over her particular interests, and to promote the general interest of all, as far as the constitution has conferred power upon us, and as far as it can be done without oppression to the parts. These are my conceptions of my representative character, with the trust confided to me, and the duties attached to it, which I endeavor to discharge with industry, fidelity, and all the abili-

ties which it has pleased my Creator to confer on me. Instead of falling short of what I profess, I trust my public life, if examined with candor, will show that I have ever so interpreted my duty to my State as to permit it, in no instance, to interfere with the just claims of the Union. It is my good fortune to represent a State which holds her character far above her interest—which claims the first place, when a sacrifice is to be made for the safety and happiness of all, and would hold me to strict account, if, in representing her interest, I should forget what is due to her honor among her confederates. All her acts prove that she is as liberal in making concessions, when demanded by the common good, as she is prompt and resolute to resist aggression to promote the interest of others at her expense. Acting in the same spirit, as her representative, I have never failed to meet and repel aggressions, while, I trust, I have on no occasion been unmindful of her honor, and the general interests of the whole Union. Having made these remarks, I shall now proceed to show that, humble as my pretensions are, and sectional and unpatriotic as he has thought proper to represent me, my course for liberality and a just regard to the interest of every portion of the Union, will not suffer in comparison with his, lofty as are his pretensions.

In examining the course of the Senator in relation to the section to which I belong, I called on him to point out a single instance, with all his boasted patriotism, in which he had given a vote to promote its interests or to defend its rights; but now, when the inquiry is into my course in relation to his section, I propose to reverse the question, and to apply to myself a much more severe test than I did to him. I ask, then,—From what measure, calculated to promote the interests of his section, have I ever withheld my support, except, indeed, the protective tariff, and certain appropriations, which, according to my mode of construing the constitution, I regard as unconstitutional, and would, of course,

be bound to oppose, wherever the benefit should fall? I call on the Senator to point out a single instance; and, if he desires it, I will yield him the floor, in order to give him an opportunity to do so. Will the Senator call, on his part, for instances in which I have supported the interest of his section? I can point to numerous: to my early and constant support of the navy; to my resistance to the system of embargoes, Non-Importation and Non-Intercourse Acts; to my generous course in support of manufactures that sprung up during the war, in which my friends think I went too far; to the liberal terms on which the tariff controversy was settled, and the fidelity with which I have adhered to it; and to the system of fortifications for the defence of our harbors, which I projected and commenced, and which is so important to the two great interests of commerce and navigation, in which his section has so deep a stake. To these I might add many more; but these are sufficient for one, represented as so sectional, against the blank list of the Senator in relation to my section, with all his claims to ardent and universal patriotism. If we turn to the West, my course will at least bear comparison with his for liberality towards that great and growing section of our country. To pass over other instances, I ask him—What measure of his can be compared with the cession I have proposed of the public lands to the new States? a measure, above all others, calculated to promote their interest, to elevate their character, to terminate their political dependence, and to raise them to a complete equality with the old States for the mutual benefit of us and them; but which, sectional as I am represented to be, proved too liberal for the Senator, with all his widely-extended and ardent attachment to the whole Union.

But it seems that I mean something very sinister in my call on the South to unite; and the Senator very significantly asks me what is meant. I have nothing to disguise, and will readily answer. If he would look at home, and

open his eyes to the systematic and incessant attacks made on our peace and quiet by his constituents—if he would reflect on his threat to renew the system of oppression from which we have freed ourselves with such difficulty and danger—and bear in mind that we are the weaker section, and, without union among ourselves, cannot resist the danger that surrounds us—he will see that there is neither mystery nor danger in the call. I go further. Our union is not only necessary to our safety and protection, but is equally so to the successful operation of our system. We constitute the check to its overaction; and, as experience proves, we are the only power through which, when disordered, reformation can be peaceably effected. Our union is dangerous to none, and salutary to all. The machine never works well when the South is divided, nor badly when it is united.

The Senator next tells us, that I declared I would march off under the State Rights banner, which he seized on to impugn my patriotism and to boast of his own. It is an easy task, by misstating or garbling, to distort the most elevated or correct sentiment. In this case, the Senator, by selecting a single member of the sentence, and throwing a strong emphasis on "off," gave a meaning directly the opposite to the one designed;—representing me as abandoning the cause of the constitution and country, and himself as being their champion,—which, it seems, was sufficient for his purpose. The declaration is taken from my opening speech at the extra session; and, that the Senate may judge for itself, I shall give the entire passage:

"We are about to take a fresh start. I move off under the State Rights bannner, and go in the direction in which I have been so long moving. I seize the opportunity thoroughly to reform the Government; to bring it back to its original principles; to retrench, economize, and rigidly to enforce accountability. I shall oppose strenuously all attempts to originate a new debt, to create a National Bank, to reunite the political and money power (more dangerous than Church and State) in any form or shape."

This is what I did declare, and which the Senator represents as deserting the constitution and country! This is the way I am usually answered. I know not whether I have greater cause to complain or rejoice at the fact, that there is scarcely an argument or a sentiment of mine which is attempted to be met, that is not garbled or misstated. If I have reason to complain of the injustice, I have, at the same time, the pleasure to reflect that it is a high implied compliment to the truth and correctness of what I say.

There still remains an important chapter to complete the comparison between the public character of the Senator and myself; I mean the part which we took in the late war between Great Britain and this country. I intended at one time to enter on it, and to trace the rise and progress of the war, with its various vicissitude of disasters and victories, and the part which the Senator and his political associates acted at that important period; but these are bygone events, belonging to the historian, in whose hands I am content to leave them, and shall not recur to them unless the Senator should provoke me hereafter by a renewal of his attack.

Having now despatched the personalities of the Senator, I turn, next, to his argument which, as I have stated, consists of three parts: the preliminary discourse on credit and banks; the discussion of the question at issue; and the reply to my remarks at this and the extra session. I shall consider each, as I have begun, in the reverse order. The argument of the Senator is, indeed, so miscellaneous and loosely connected, that it is a matter of but little importance in what order it is considered.

When he announced his intention to reply to my remarks, both at this and the extra session, I anticipated that they would be met fully, if not satisfactorily, point by point. Guess, then, my surprise on finding him pass by, without even attempting an answer to the numerous objections which I made to the union of the political and money power, as

affecting the morals, the politics, the currency, the industry, and prosperity of the country,—which, if the fourth part be true, is decisive of the question,—and noticing but two out of the long list in his reply. If we may judge of the strength of those which he has passed over by his inconclusive answer (as I shall presently show) to the two which he selected, my argument may be pronounced to be impregnable. I shall begin with his reply to my remarks at the present session.

It will be remembered, among other objections against the connection with the banks, I urged that the Government had no right to make a general deposit in bank, or receive the notes of banks in the public dues. I placed the first on the ground that, when public money was placed in deposit in banks, and passed to the credit of the Government, it was, if ever, in the treasury ; and that it could not be drawn out and used for any purpose, unless under an appropriation made by law, without violating an express provision of the constitution, which provides that no money shall be drawn out of the treasury but in consequence of appropriation by law. I then urged that, to place money in general deposit in banks, with the implied understanding always attached to such transactions, that they should have the right to draw it out and use it as they please till called for by the Government, was a manifest violation of this provision of the constitution.

In support of the other objection against receiving bank-notes in the public dues, I laid down the known and fundamental rule of construction on all questions touching the powers of this Government, that it had no right to exercise any but such as are expressly given by the constitution, or that may be necessary to carry into effect the granted powers. I then insisted, that no such power was granted, nor was its exercise necessary to carry any granted power into effect ; and concluded, that the power could not be exercised unless comprehended under one or the other head. To which I

added the further objection, that if we had the right to receive the notes of State banks in our dues as cash, it would necessarily involve the right of taking them under our control and regulation, which would bring this Government necessarily into conflict with the reserved rights of the States; and to this I added, that the receipt of bank-notes by the Government tended to expel gold and silver from circulation, and depreciate and render their value more fluctuating; and, of course, could not be reconciled with the object of the express power given to Congress to coin money and regulate the value thereof, to which it is as repugnant in its effects as the debasing or the clipping the current coin would be. I, at the same time, conceded that the practice of the Government had been opposite from the commencement. Such were my reasons, and how have they been met?

The Senator commenced by stating that he would consider the two objections together, as they were connected; but instead of that, he never uttered another word in relation to the right of making a general deposit. That was surrendered without an attempt to meet my objections,—which, at least, proved his discretion. He next undertook to show that precedents were in favor of receiving bank-notes, which I had conceded, and no one disputed. Among other things, he stated I was the first to authorize the receiving of bank-notes by law; and, in proof, referred to my amendment to the Joint Resolution of 1816, which authorizes the receipt of the notes of specie-paying banks in the dues of the Government. He stated that the resolution, as proposed by himself, provided that nothing but gold and silver and the notes of the United States Bank should be received, and that my amendment extended it to the notes of State banks. This is all true, but is not the whole truth. He forgot to inform the Senate that, at the time, the notes of non-specie-paying banks, as well as specie-paying, were received in the dues of the Government, and that my amendment limited,

instead of enlarging, the existing practice. He also forgot to state that, without my amendment, the notes of the United States Bank would have been exclusively received in the public dues, and that I was unwilling to bestow a monopoly of such immense value on that institution, which would have been worth ten times the amount of the bonus it gave for its charter.

After bestowing much time to establish what none denied, the Senator at length came to the argument; and what do you suppose were the convincing reasons he urged against my positions? Why, simply that he had no time to reply to them! with which, and the erroneous assertion that I had denied that the Government could exercise any incidental power, he passed over all the weighty objections I had urged against the constitutionality of receiving and treating bank-notes as cash in the public dues. It was thus he met the only argument he attempted to answer of the many and strong ones which I have urged in support of my opinion on this important question, and to which he proposed to make a formal reply.

I shall next notice the reply he attempted to my remarks at the late session. And here, again, he selected a single argument, and to which his answer was not less inconclusive and unsatisfactory than to that which I have just considered. Among other objections to the union of the Government with the banks, I stated that it would tend to centralize the circulation and exchanges of the country; to sustain which, I showed that no small portion of the credit and circulation of the banks depended on the public deposits, and the fact that the Government received and treated their notes as cash in its dues. I then showed that it was that portion which pre-eminently gave a control over the circulation and exchanges of the country. In illustration, I asked, if the Government, when it first went into operation, had selected a merchant of New-York, and entered into a con-

tract with him that he should have the free use of the public revenues from the time they were collected till they were disbursed, and that nothing but his promissory notes, except gold and silver, should be received in the public dues; whether it would not give him a great and decided control over the circulation and exchanges of the country, accompanied with advantages to the port where he resided, over all others. I next asked, whether the location of a Bank of the United States at the same place, with the same privileges, would not give equal control and advantages—nay, much greater; as, in addition, it would concentrate at the same place an immense amount of capital collected from every portion of the country.

Such was my argument, which the Senator, months after it was delivered, undertakes to controvert; but, I must say, for my life I could not understand his reasons. He lost his usual clearness, and became vague and obscure, as any one must who attempts to refute what is so perfectly evident. To escape from his difficulty, he, with his usual address, confounded what I had said on one subject with remarks made on another, which he thought more easily answered, and against which he directed his attack. He stated that I proposed a Government paper—and that my notion is, that all the paper that circulates should be Government paper; and then insisted that it would be the union of the political and money power, and would do more to centralize the currency and exchanges than the connection of the Government with the banks.

Now, unfortunately for the Senator, I proposed no such thing, and expressed no notion of the kind, nor any thing like it. He may search every speech I have delivered at this and the extra session, and he can find nothing to justify his assertion. To put this beyond all dispute, I will quote what I did say, and the only thing that I ever said that could

afford him even a pretext for his assertions. The extracts are taken from my remarks at the extra session.

"I intend to *propose* nothing. It would be impossible, with so great a weight of opposition, to pass any measure without the entire support of the administration; and, if it were possible, it ought not to be attempted, when so much must depend on the mode of execution. The best measure that could be devised might fail, and impose a heavy responsibility on its author, unless it met with the hearty approbation of those who are to execute it. I, then, *intend merely to throw out suggestions*, in order to excite the reflections of others," &c.

"Believing that there might be a sound and safe paper currency founded on the credit of the Government exclusively, I was desirous that those who are responsible and have the power, should have availed themselves of the opportunity of the *temporary deficit* in the treasury, and the postponement of the fourth instalment intended to be deposited with the States, to use them as the means of affording a circulation *for the present relief of the country* and the *banks, during the process of separating them from the Government*," &c.

Here is not a word about proposing; on the contrary, I expressly stated that I proposed nothing; that I but threw out suggestions for reflection. Instead of excluding all paper from circulation, I suggested the use, not of treasury notes, as he stated, or any other paper containing a promise to pay money, but simply one which should contain a promise to be received in the dues of the Government; and that, too, only to the extent necessary to meet the temporary deficit of the treasury, and to alleviate the process of separating from the banks; and this he has arbitrarily construed and perverted to suit his purpose, in the manner I have shown.

It is a great misfortune that there should be brought into this Chamber the habits contracted at the bar, where advocates contend for victory, without being scrupulous about the means; while here the only object ought to be truth and the good of the country. All other considerations ought to be forgotten within these walls, and the only struggle ought to

be to ascertain what is truth, and what is calculated to promote the honor and happiness of the community. Great individual injustice is done by such misstatements of arguments. The Senator's speech will be published and circulated in quarters where my correction of his statements will never reach, and thousands will attribute opinions to me that I never uttered nor entertained.

The suggestions which he has so perverted have been a favorite topic of attack on the part of the Senator, but he has never yet stated nor met what I really said, truly and fairly; and, after his many and unsuccessful attempts to show what I suggested to be erroneous, I now undertake to affirm positively, and without the least fear that I can be answered—what heretofore I have but suggested—that a paper issued by Government, with the simple promise to receive it in all its dues, leaving its creditors to take it or gold and silver, at their option, would, to the extent that it would circulate, form a perfect paper circulation, which could not be abused by the Government; that it would be as steady and uniform in value as the metals themselves; and that if, by possibility, it should depreciate, the loss would fall, not on the people, but on the Government itself; for the only effect of depreciation would be virtually to reduce the taxes, to prevent which the interest of the Government would be a sufficient guaranty. I shall not go into the discussion now, but on a suitable occasion I shall be able to make good every word I have uttered. I would be able to do more—to prove that it is within the constitutional power of Congress to use such a paper, in the management of its finances, according to the most rigid rule of construing the constitution; and that those at least, who think that Congress can authorize the notes of State corporations to be received in the public dues, are estopped from denying its right to receive its own paper. If it can virtually indorse by law, on the notes of specie-paying banks, "Receivable in payment of the public dues,"

it surely can order the same words to be written on a blank piece of paper.

Such is the character of the paper I suggested, and which the Senator says would do more to centralize the circulation and exchanges, than the union of the Government and the banks, which, however, he signally failed to prove. That it would have a greater tendency than the exclusive receipt in its dues of gold and silver, I readily acknowledge; and to that extent I think it objectionable; for I do not agree with the Senator that there should be some one great emporium, which should have control of the commerce, currency, and exchanges of the Union. I hold it desirable in neither a political nor commercial point of view, and to be contrary to the genius of our institutions and the spirit of the constitution, which expressly provides, among other things, that no preference shall be given to the ports of one State over another. But that a receivable paper, such as I suggested, would have a greater, or as great a tendency to centralize the commerce and currency of the country as the union with the banks, I utterly deny; and, if I had no other reason, the vehement opposition of the Senator, who approves of such tendency, would be conclusive; but there are others that are decisive.

The centralizing tendency of such a paper would result exclusively from the facility it would afford to remittance from distant portions of the Union, in which respect it would stand just on a par with bank-notes when received in the dues of the public; while the latter would, in addition, give to the favored port where the mother-bank might be located (or the head of the league of State banks), the immense profits from the use of the public deposits, and the still greater from having their notes received in Government dues. The two united would afford unbounded facilities in the payment of custom-house bonds, and give millions of profit annually, derived exclusively from the use of Government

credit. This great facility, and vast increase of profit, would give a great and decided advantage to the commerce of the section where the head of the system might be located—and which, in a great measure, accounts for the decay of the commerce of the South, where there were no banks when this Government was established, and which, of course, gave to the other section, exclusively, all the benefit derived from the connection. If specie had from the first been exclusively received in the public dues, the present commercial inequality would never have existed; and, I may add, it never will cease till we return to the constitutional currency. What the Senator has said as to the Union of the political and money powers, and the tendency to extravagance from the use of treasury notes and their depreciation, is so clearly inapplicable to the description of paper I suggested, that I do not deem it necessary to waste words in reply to it.

Having now repelled his reply to my remarks at this and the extra session, I shall next proceed to notice his argument on the question under discussion, which, extraordinary as it may seem, constitutes by far the most meagre and inconsiderable portion of his speech. The structure he reared with so much labor is composed of a little centre building, of some twenty or thirty feet square, with an extended wing on each side, and a huge portico in front. I have, I trust, effectually demolished the wings, and propose next to go through the same process with the centre building.

Long as was the speech, it contained but three, or, at the utmost, four arguments, directly applicable to the question under discussion; of which two have, again and again, been repeated by him every time he has addressed the Senate; another was drawn from an argument of mine in favor of the bill, which the Senator has misstated, and pressed into his service against it; and the other is neither altogether new, nor very well founded—nor, from its character, of much force. I shall begin with it.

The Senator objected to the collection of the public dues in gold and silver, because, as he conceives, it would be exceedingly inconvenient; in proof of which, and in order to present as strong a picture as possible, he went into minute calculations and details. He first supposed that the average peace revenue would be equal to thirty millions annually, and the average deposits to twenty-one. He then estimated that this vast sum would have to be counted at least five times in the year,—and then estimated that it would require eight hundred thousand dollars to be counted daily, which would require a host of officers, in his opinion, to perform the task. The answer to all this is easy. In the first place, the Senator has over-estimated the average receipts by at least one hundred per cent. Fifteen millions ought to be much nearer the truth than thirty. Even that I regard as exceeding what the expenditure ought to be; and I venture to assert, that no administration which expends more on an average for the next few years can maintain itself, unless there should be some unexpected demand on the treasury. In the next place, twenty-one millions is at least five times too large for the average deposits. Should this bill pass, three millions would be much nearer the truth. We shall hear no more of surpluses when the revenue is collected in gold and silver. This would make a great deduction in his estimate of the trouble and labor in counting. But I give the Senator his own estimate, and ask him if he never heard of other and shorter modes than counting to ascertain any amount in coins? Does he not know that it can be ascertained with as much certainty and exactness by weight as by counting, and with more dispatch, when the amount is large, in coins than in his favorite bank-notes? If I am not misinformed, it is the mode adopted at the English Exchequer, and is done with the greatest possible promptitude by experienced individuals: so that this formidable objection vanishes.

But the Senator next tells us that I stated, in my re-

marks, that the bill, should it pass, would place the banks and the Government in antagonist relation to each other, which he considers as a very weighty objection to it. I again must correct his statement. I made no such remark; I, indeed, said, when the banks were connected with the Government, they had a direct interest in increasing its fiscal action. The greater the revenue and expenditures, and the larger the surplus, the greater would be their profit; but, when they were separated, the reverse would take place. That the greater amount of gold and silver collected and withdrawn from circulation, the less would be left for banking purposes, and, of course, the less their profit; and that, in one case, they would be the allies, and, in the other, the opponents of the Government, as far as its fiscal action was concerned; or, to express it more concisely, when united with the Government, they would be on the side of the tax consumers—and when separated, on that of the tax payers. Such were my remarks; and now I ask, is it not true? Can any one deny it? Or, admitting its truth, can its importance be disputed? Were there no other reasons in favor of the bill, I would consider this, of itself, decisive. It would be almost impossible to preserve our free institutions with the weight of the entire banking system thrown on the side of high taxes and extravagant disbursements—or to destroy them if thrown into the opposite scale.

But the Senator regards the expression of tax consumers and tax payers as mere catch-words, of dangerous import, and tending to divide society into the hostile parties of rich and poor. I take a different view. I hold that the fiscal action of the Government must necessarily divide the community into the two great classes of tax payers and tax consumers. Take taxation and disbursements together, and it is unavoidable that one portion of the community must pay into the treasury, in the shape of taxes, more than they receive back in disbursements—and another must receive more

than they pay. This is the great disturbing principle in all governments, especially those that are free, around which all other causes of political divisions and distractions finally rally. Were it otherwise—if the interest of every portion and class of the community was the same in reference to taxation and disbursements, nothing would be more easy than to establish and preserve free institutions; but as it is, it is the most difficult of all tasks, as history and experience prove. This disorder lies deep in the nature of men and society, and extends equally to private associations as to political communities. There will necessarily spring up in both *a stockholding and direction interest;* the latter of which, without wise provisions and incessant vigilance, will absorb the former,—which the winding up of many a bank will prove.

The two remaining arguments of the Senator have been often asserted, and as often refuted, and I shall dispatch them with a few words. He tells us, as he has often done, that we are bound to regulate the currency; and that the constitution has given to Congress the *express* power to regulate it; with many other expressions of similar import. It is manifest that the whole argument turns on the ambiguity of the word currency. If by it is meant the current coin of the United States, no one can doubt that Congress has the right to regulate it. The power is expressly given by the constitution, which says, in so many words, that it shall have power to coin money and regulate the value thereof; but if it is intended to include bank-notes, as must be the intention of the Senator, there is no such express power given in the constitution. It is a point to be proved, and not assumed; and every attempt of the Senator to prove it has ended in signal failure. He has not, and cannot meet the answer which he received from the Senator from Pennsylvania, at the extra session; and his repetition of the assertion, after so decisive an answer, serves but to prove how much more easy it is to refute an argument, than to silence him who advances

it. But I do not despair even of silencing the Senator. There is one whose authority on this point I am sure he must respect; I mean himself. When the bill granting a charter to the late United States Bank was under discussion in the other House, in 1816, he then took the opposite side, and argued with great force against the very right for which he now so obstinately contends. He then maintained that the framers of the constitution were hard money men; that currency meant the *current coin* of the United States, and that Congress has no right to make any other. But the Senator shall speak for himself; and, that he may be heard in his own words, I shall read an extact from his speech delivered at the time.

"Mr. Webster first addressed the House. He regretted the manner in which this debate had been commenced, on a detached feature of the bill, and not a question affecting the principle; and expressed his fears that a week or two would be lost in the discussion of this question to no purpose, inasmuch as it might ultimately end in the rejection of the bill. *He proceeded to reply to the arguments of the advocates of the bill.* It was a mistaken idea, he said, which he had heard uttered on this subject, *that we were about to reform the national currency. No nation had a better currency*, he said, than the United States; there was no nation which had guarded its currency with more care; for the framers of the constitution, and those who enacted the early statutes on this subject, were *hard-money men;* they had felt, and therefore duly *appreciated the evils of a paper medium;* they, therefore, sedulously guarded *the currency of the United States from debasement. The legal currency of the United States was gold and silver coin;* this was a subject in regard to which Congress had run into no folly.

"What, then, he asked, was the present evil? *Having a perfectly sound national currency, and the Government having no power, in fact, to make any thing else current but gold and silver, there had grown up in different States* a currency of paper issued by banks, setting out with the promise to pay gold and silver, which they had been wholly unable to redeem; the consequence was, that there was a mass of paper afloat, of perhaps fifty millions, which sustained no immediate relation *to the legal currency of the country*—a paper which will not enable any man to pay money he owes to his neighbor, or *his debts to the Government.* The banks had issued more money than they could redeem, and

the evil was severely felt, &c. Mr. W. declined occupying the time of the House to prove that there was a depreciation of the paper in circulation; *the legal standard of value was gold and silver;* the relation of paper to it proved its state, and the rate of its depreciation. *Gold and silver currency, he said, was the law of the land at home, and the law of the world abroad; there could, in the present state of the world, be no other currency.* In consequence of the immense paper issues having banished specie from circulation, the Government had been obliged, in *direct violation of existing statutes*, to receive the amount of their taxes in something which was not recognized by law as the money of the country, and which was, in fact, greatly depreciated, &c. This was the evil."

What can be more decisive? what more pointed? They are the very doctrines which he is now in the daily habit of denouncing under the name of Loco-foco. The Senator may hereafter be regarded as the father of the party, and I deem it not a little unnatural that he should be so harsh and cruel to his offspring.

But it may be said that I then advocated the opposite side. Be it so, and it follows that his authority and mine stand as opposing qualities on the opposite sides of an equation; and I feel confident that the Senator will readily admit that his will, at least, be sufficient to destroy mine.

I readily acknowledge that my opinion, after the lapse of upwards of twenty years, with the light which experience in this long period has shed on the banking system, has undergone considerable changes. It would be strange if it had not. I see more clearly now than I did the true character of the system, and its dangerous tendency; but I owe it to myself, and the truth of the case, to say I was, even at that early period, far from being its advocate, and would then have been opposed to the system had it been a new question. But I then regarded the connection between the Government and the banks indissoluble; and acquiesced in a state of things which I could not control, and which I considered as established. The Government was then receiving the notes of non-specie-paying banks in its dues, to its own discredit,

and the heavy loss of its creditors. The only practical alternative was, at that period, between a league of State banks and a Bank of the United States, as the fiscal agent of the Government. I preferred then, as I now do, the latter to the former, as more efficient, and not a whit more unconstitutional; and, if I now were again placed in the same state of things I then was, with all my present feelings and views, I could hardly act differently from what I then did.

The Senator greatly mistakes in supposing that I feel any disposition to repudiate or retract what I then said. So far from it, I have, I think, just cause to be proud of the remarks I made on the occasion. It put the question of the bank, for the first time, on its true basis, as far as this Government is concerned, and the one on which it has ever since stood; which is no small compliment to one then so inexperienced as myself. All I insist on is, that the report contains but a very hasty sketch—a mere outline, as the reporter himself says—of my remarks, in which four-fifths are omitted, and that it would be doing me great injustice to regard it as containing a full exposition of my views. But, brief as it is, what is reported cannot be read, in the spirit of fairness, without seeing that I regarded the question, at the time, as a mere practical one—to be decided, under all the circumstances of the case, without involving the higher questions which, now that the connection between the Government and the banks is broken, come rightfully into discussion. At that time the only question, as I expressly stated, was, not whether we should be connected with the Bank, for that was existing in full force, but whether it was most advisable, admitting the existence of the connection, that the United States, as well as the separate States, should exercise the power of banking. I have made these remarks, not that I regard the question of consistency, after so great a change of circumstances, of much importance, but because I desire to stand where truth and justice place me on this great question.

The last argument of the Senator on the question at issue, was drawn from the provision of the constitution which gives to Congress the right to regulate commerce, and which, he says, involves the right and obligation to furnish a sound circulating medium. The train of his reasoning, as far as I could comprehend it, was, that without a currency commerce could not exist, at least to any considerable extent, and, of course, there would be nothing to regulate; and, therefore, unless Congress furnished a currency, its power of regulating commerce would become a mere nullity; and from which he inferred the right and obligation to furnish not only a currency, but a bank currency! Whatever may be said of the soundness of the reasoning, all must admit that his mode of construing the constitution is very bold and novel. To what would it lead? The same clause in that instrument which gives Congress the right to coin money and regulate the value thereof, gives it also the kindred right to fix the standard of weights and measures. They are just as essential to the existence of commerce as the currency itself. The yard and the bushel are not less important in the exchange of commodities than the dollar and the eagle; and the very train of reasoning which would make it the right and the duty of the Government to furnish the one, would make it equally so to furnish the other. Again: commerce cannot exist without ships and other means of transportation. Is the Government also bound to furnish them? Nor, without articles or commodities to be exchanged, such as cotton, rice, tobacco, and the various products of agriculture and manufactures. Is it also bound to furnish them? Nor these, in turn, without labor; and must that, too, be furnished? If not, I ask the Senator to make the distinction. Where will he draw the line, and on what principles? Does he not see that, according to this mode of construction, the higher powers granted in the constitution would carry all the inferior, and that this would become a Government of unlimited

powers? Take, for instance, the war power—and apply the same mode of construction to it, and what power would there be that Congress could not exercise—nay, be bound to exercise? Intelligence, morals, wealth, numbers, currency, all are important elements of power, and may become so to the defence of the Union and safety of the country; and according to the Senator's reasoning, the Government would have the right, and would be in duty bound to take charge of the schools, the pulpits, the industry, the population, as well as the currency of the country; and these would comprehend the entire circle of legislation, and leave the State Governments as useless appendages of the system.

Having now, I trust, taken down to the ground the little centre building, with its four apartments, nothing remains of the entire structure but the huge portico in front, and on which I shall next commence the work of demolition. The Senator opened his discourse on credits and banks, by asserting that bank credit was, in truth and reality, so much capital actually added to the community. I waive the objection that neither credit nor the banking system is involved in the question; and that those who are opposed to the union of the political and money power oppose that union, among other reasons, on the ground that it is unfavorable to a full development of the credit system, and dangerous to the banks themselves, which they believe can only be saved from entire destruction by the separation; and it follows, of course, all that he said in relation to them, is either a begging of the question or irrelevant. But, assuming what he said to be applicable, I shall show that it is either unfounded in fact or erroneous in conclusion.

So far from agreeing with the Senator, that what he calls bank credit is so much real capital added to the country, I hold the opposite—that banks do not add a cent of capital or credit. Regarded strictly, the credit of banks is limited to the capital actually paid in. This, usually, is the only

sum for which the stockholders are liable; and, without what are called banking privileges, they would not have a cent of credit beyond that amount. But the capital subscribed and paid is not created by the banks. It is drawn out of the general fund of the country. Now, I ask, What constitutes its credit beyond its capital? In the first place, and mainly, it is derived from the fact that both General and State Governments receive and treat bank-notes as cash, and thereby, to the extent of their fiscal action, virtually give them the use of their credit. It is an existing credit, belonging to them exclusively; and is neither created nor increased by permitting the banks to use it. In the next place, the deposits with the banks, both public and private, add a large amount to their credit; but this, again, is either the property or credit of the Government and individuals, which they are permitted to use, and which they neither create nor increase. Finally, notes and bonds, or other credits discounted by the banks, make up their credit, which are neither more nor less than the credit of the drawers and indorsers, on which the banks do business. They take in the paper, or credit, of others, payable at a given day, deduct the interest in advance, and give out their own credit or notes, payable on demand, without interest; that is, the credit of their own paper rests on the credit of the paper discounted or taken in exchange, which credit they neither create nor increase. In a word, all their credit beyond the capital actually paid in, is but the credit of the public or individuals, on which, by what are called banking privileges, they are permitted to do business and make profit; and, so far from creating credit or capital, they, in fact, add not a cent of capital or credit to that which previously existed.

But the Senator next tells us, that there are three hundred millions of banking capital in the Union, and that it is real, *bonâ fide*, solid capital—as much so as the plantations of the South. This is certainly news to me. I had sup-

posed that this vast amount was little more than a fictitious mass of credit piled on credit, in the erection of which but little specie or real capital was used; and that, when a new bank was created, the wheelbarrow was put in motion to roll the specie from the old to the new institution, till it got fully under way, when it was rolled back again. But it seems that all this is a mistake; that the whole capital is actually paid in cash, and is as solid as terra firma itself. This certainly is a bold assertion, in the face of facts daily occurring. There have been, if I mistake not, four or five recent bank explosions in the Senator's own town, in which the whole vanished into thin air, leaving nothing behind but ruin and desolation. What has become of that portion of his solid capital? Did the Senator ever hear of a plantation thus exploding and vanishing? And I would be glad to know how large a portion of his three hundred millions of solid capital will finally escape in the same way? A few years may enable us to answer this question.

The Senator next, by way of illustration, undertook to draw a distinction between bank credit and Government credit, or public stocks, in which he was not very successful. It would be no difficult task to prove that they both rest substantially on debt; and that Government stock may be, and is, to a great extent, actually applied in the same mode as bank credit in the use of exchanges and business. It in fact constitutes, to a great extent, the very basis of banking operations; but, after having occupied the Senate so long, it would be unreasonable to consume their time on what was introduced as a mere illustration.

The Senator next undertook to prove the immense advantage of banking institutions. He asked—What would be done with the surplus capital of the country, if it could not be invested in bank stocks? In this new and growing country, with millions on millions of lands of the best quality still lying unimproved; with vast schemes of improvements,

constantly requiring capital; with the immense demand for labor for every branch of business—the last question I ever expected to hear asked, is that propounded by the Senator. I had supposed the great difficulty was to find capital, and not how to dispose of it; and that this difficulty had been one of the main reasons assigned in favor of the banking system.

The next benefit he attributed to the system was the vast amount of lands which had passed out of the hands of the public into that of individuals of late—which he estimated, during the last three years, at thirty-six millions of acres—forming a surface equal in extent to England, and which, he stated, would rise in value greatly, in consequence of their passing into private hands. That this immense transfer has been effected by the banks, I admit; but that it is to be considered an advantage to the country, I certainly never expected to hear uttered any where, especially on this floor, and by one so intelligent as the Senator. I had supposed it was infinitely better for the community at large, and particularly for those not in affluent circumstances, that the lands should remain in possession of the Government than in that of speculators, till wanted for settlement; and that one of the most decided objections to our banking system is, that it becomes the instrument of making such immense transfers whenever the currency becomes excessive. This is a point not without interest, and I must ask the Senate to bear with me while I pause for a few moments to explain it.

The effect of an expanding currency is to raise prices, and to put speculation in motion. He who buys, in a short time seems to realize a fortune, and every one is on the look-out to make successful investments; and thus prices receive a constant upward impulse, with the exception of the public lands, the price of which is fixed at $1 25, excepting such as are sold at public auction. The rise of other landed property soon creates a new demand for the public lands, and

speculation commences its giant operations in that quarter. Vast purchases are made, and the revenue of the Government increases in proportion to the increased sales. The payment is made in bank-notes, and these pass from the land-offices to the deposit banks, and constitute a large surplus for new banking facilities and accommodations. Applicants from all quarters press in to partake of the rich harvest, and the notes repass into the hands of speculators, to be reinvested in the purchase of public lands. They again pass through the hands of receivers, and thence to the banks, and again to the speculators; and every revolution of the wheel increases the swelling tide, which sweeps away millions of the choicest acres from the Government to the monopolizers, for bank-notes, which, in the end, prove as worthless as the paper on which they are written. Had this process not been arrested by the Deposit Act of 1836, and had the banks avoided an explosion, in a short time the whole of the public domain, the precious inheritance of the people of this Union and their descendants, would have passed through the same process with the thirty-six millions of acres which the Senator so highly commends. What took place then will again take place at the very next swell of the paper tide, unless, indeed, this bill should become a law, which would prove an effectual check against its recurrence.

The Senator next attributes our extraordinary advance in improvement and prosperity to the banking system. He puts down as nothing, our free institutions; the security in which the people enjoy their rights; the vast extent of our country, the fertility of its soil, and the energy, industry, and enterprise of the stock from which we are descended. All these, it seems, are as dust. The banks are every thing, and without them we would have been but little advanced in improvement or prosperity. It is much more easy to assign our prosperity to the banking system than to prove it. That, in its early stages, it contributed to give an impulse to in-

dustry and improvement, I do not deny; but that, in its present excess, it impedes rather than promotes either, I hold to be certain. That we are not indebted to it for our extraordinary advance and improvements, wholly or mainly, there is an argument which I regard as decisive. Before the Revolution we had no banks, and yet our improvement and prosperity, all things considered, were as great anterior to it as since, whether we regard the increase of population or wealth. At that time not a bank-note was to be seen, and the whole circulation consisted either of gold and silver, or the colonial paper money, which all now, and especially the Senator, consider so worthless. Had the Senator lived during that period, he might, with equal plausibility, have attributed all the improvement and prosperity of the country to the old colonial paper money, as he now does to the banks; and have denounced any attempt to change or improve it as an overthrow of the credit system, as warmly as he now does the separation of the Government from the banks. I tell the Senator, the time is coming when his present defence of the banking system, as it is now organized, will be considered as extraordinary as we now would regard a defence of the old and exploded system of colonial paper money. He seems not to see that the system has reached a point where great changes are unavoidable, and without which the whole will explode. The state of its manhood and vigor has passed, and it is now far advanced in that of decrepitude. The whole system must be reformed, or it must perish in the natural course of events. The first step towards its renovation is the measure he denounces in such unmeasured terms —the separation from the Government; and the next, a separation between discount and circulation. The two are incompatible; and so long as they are united, those frequent vicissitudes of contractions and expansions, to which bank circulation is so subject, and which is rapidly bringing it into discredit, must continue to increase in frequency and inten-

sity, till it shall become as completely discredited as Continental money.

The Senator seems not to be entirely unaware of the danger to which the system is exposed from its frequent vibrations and catastrophes. He tells us, by way of apology, that had it not been for the specie circular, the present catastrophe would not have occurred. That it hastened it, I do not in the least doubt; but that we should have escaped without it, I wholly deny. The causes of the explosion lay deep—far beneath the circular—and nothing but the most efficient measures, during the session immediately after the removal of the deposits, could have prevented it. Then was the crisis; and the period having passed without doing any thing, what has since followed was inevitable. But admitting what he says to be true, what a picture of the system does it exhibit! How frail, how unstable must it be, when a single act of the Executive could bring it to the ground, and spread ruin over the country! And shall we again renew our connection with such a system, so liable, from the slightest cause, to such disasters? Does it not conclusively show that there is some deep and inherent defect in its very constitution, which renders it too unsafe to confide in without some radical and thorough reform?

The Senator himself seems conscious of this. He entered into the question of its expansions and contractions, and suggested several remedies to correct an evil which none can deny, and which all must see, if not corrected, must end in the final overthrow of the system. He told us, that the remedy was to be found in the proportion between bullion and circulation; and that the proper rule to enforce the due proportion between the two was, when exchange was against us, for the banks to curtail. I admit that the disease originates in the undue proportion, not between bullion and circulation, but between it and the liabilities of the banks, including deposits as well as circulation (the former is even

more important than the latter), and that the remedy must consist in enforcing that proportion. But two questions here present themselves: What is that due proportion? and how is it, under our system of banking, to be enforced? There is one proportion which we know to be safe: and that is when, for every dollar of liability, there is a dollar in bullion or specie; but this would bring us back again to the old, honest, and substantial Bank of Amsterdam, so much abused by all the advocates of banks of discount. If that proportion be transcended—if we admit two or three to one to be the due proportion, or any other that would make banking more profitable and eligible than the mere loaning of money, or other pursuits of society, the evil under which we now suffer would continue. Too much capital would continue to flow into banking, to be again followed by the excess of the system, with all its train of disasters. But admit that such would not be the fact, how are we to compel the twenty-six States of this Union to enforce the due proportion—all of which exercise the right of establishing banks at pleasure, and on such principles as they may choose to adopt? It can only be done by an amendment of the constitution; and is there any one so wild and visionary as to believe that there is the least prospect of such an amendment? Let gentlemen who acknowledge the defect, before they insist on a reunion with a system, acknowledged to be exposed, as it now stands, to such frequent and dangerous vicissitudes, first apply a remedy and remove the defect, and then ask for our co-operation.

But the Senator tells us, that the means of enforcing the due proportion is to be found in the regulation of the exchanges; and for this purpose the only rule necessary to be observed is, to curtail when exchanges are against us, and as a counterpart, I suppose, to enlarge when in our favor. How much dependence is to be put on this rule, we have a strong illustration in the late catastrophe, under which the country is now suffering. The exchanges remained in our favor till

the very last; and before the rule, on which the Senator so confidently relies, could be applied, the shock was felt and the banks ingulfed; and this will ever be the case, when preceded by a general expansion in the commercial world, such as preceded the late catastrophe.

The cause of this commenced on the other side of the Atlantic, and originated mainly in the provisions on which the charter of the Bank of England was renewed, which greatly favored the extension of banking operations in a country which may be considered as the centre of the commercial system of the world. The effect of these provisions was a depreciation of the value of gold and silver there, and their consequent expulsion to other countries—especially to ours—which turned the exchange with England in our favor; and which, in combination with other causes, the removal of the deposits, and the expiration of the charter of the late Bank of the United States, was followed by a great corresponding expansion of our banking system. The result of this state of things was a great increase of the liabilities of the banks compared with their specie in both countries, which laid the train for the explosion. The Bank of England first took the alarm, and began to prepare to meet the threatened calamity. It was unavoidable, and the only question was, where it should fall. The weakness of our system, and the comparative strength of theirs, turned the shock on ours; but of the approach of which, the exchanges gave, as I have stated, no indications almost to the last moment. And even then—so artificial are exchanges, and so liable to be influenced by other causes besides the excess of currency on the one side and the deficit on the other—after it began to show unfavorable indications, we all remember that a single individual, at the head of a State institution (I mean Mr. Biddle), by appearing in New-York, and bringing into market bonds on England drawn on time, turned the current, and restored the exchange. All this conclusively proves, that when there

is a general expansion (the most dangerous of all), exchanges give no indication of the approach of danger; and, of course, their regulation, on which the Senator relies, affords no protection against it.

I might go further and show, that at no time is it to be relied on as the index of the relative expansion or contraction in different countries; and that it is liable to be influenced by many circumstances besides those to which I have alluded, some of which are fleeting, and others more permanent. It presupposes the perfect fluidity of currency, and that it is not liable to be obstructed or impeded by natural or artificial causes in its ebbs and flows; which is far from being true, as I have already shown in the instance of Mr. Biddle's operations preceding the late shock. In fact, it may be laid down as a rule, that where the currency consists of convertible paper, resting on a gold and silver basis, the small portion of specie which may be required to uphold the whole, has its fluidity obstructed by so many and such powerful causes, as to afford no certain criterion of the relative expansion of the currency between it and other countries; and, of course, afford no certain rule of regulating banking operations. The subject is one that would require more time to discuss than I can bestow on the present occasion; but of its truth we have a strong illustration in the state of things preceding the late shock, when, as I have stated, the exchanges remained favorable to the banks, while the vast amount of our imports, and the unusual character of many of the articles imported, clearly indicated that our currency was relatively greatly expanded, compared with the currency of those countries with which we have commercial relations.

To correct the defects of the system, the Senator must go much deeper. The evil lies in its strong tendency to increase; and this, again, in the extraordinary and vast advantages which are conferred on it beyond all other pursuits of the community—which, if not diminished, must terminate

in its utter destruction, or an entire revolution in our social and political system. It is not possible that the great body of the community will patiently bear that the currency, which ought to be the most stable of all things, should be the most fluctuating and uncertain; and that, too, in defiance of positive provisions in the constitution, which all acknowledge were intended to give it the greatest possible stability.

REMARKS

On the Bill to prevent the reissue and circulation of the bills, notes, and securities of corporations created by Congress, whose charters have expired; made in the Senate, April 20th, 1838.

Mr. Calhoun said, that as the question was about to be put on the engrossment, he rose, not to discuss the subject at large, but simply to state the reasons which would govern his vote. The hour was late, and the Senate impatient to adjourn, and he would promise to detain them but a few minutes.

When the bill was taken up yesterday, he had never turned his attention seriously to the subject, and he listened attentively in order to make up his mind as to our power, and the expediency of passing the bill. The result was, that he found himself in precisely the same state of uncertainty in which the Senator from Virginia described himself to be, and was relieved when he (the Senator) moved an adjournment, with a view to obtain time for further deliberation. Had he been forced to vote then, it would have been against the bill, as it was an invariable rule with him, when he doubt-

ed on constitutional questions, to vote in the negative. Since then, he had calmly and deliberately investigated the subject, and the result was a thorough conviction that we possessed the power, and ought to exercise it, and he proposed now to assign his reasons.

He held that the right proposed to be exercised in this case, rested on the general power of legislation conferred on Congress, which embraces not only the power of making, but that of repealing laws. It was, in fact, a portion of the repealing power. No one could doubt the existence of the right to do either, and that the right of repealing extends as well to the unconstitutional as constitutional laws. The case as to the former was in fact stronger than the latter; for, whether a constitutional law should be repealed or not, was a question of expediency, which left us free to act according to our discretion: while in the case of an unconstitutional law, it was a matter of obligation and duty, leaving no option; and the more unconstitutional, the more imperious the obligation and duty. Thus far there could be no doubt nor diversity of opinion.

But there are many laws, the effects of which do not cease with their repeal or expiration, and which require some additional act on our part to arrest or undo them. Such, for instance, is the one in question. The charter of the late bank expired some time ago, but its notes are still in existence, freely circulating from hand to hand, and reissued and banked on by a bank chartered by the State of Pennsylvania, into whose possession the notes of the old bank have passed. In a word, our name and authority are used almost as freely for banking purposes as they were before the expiration of the charter of the late bank. Now he held that the right of arresting or undoing these after effects rested on the same principle as the right of repealing a law, and, like that, embraces unconstitutional as well as constitutional acts, superadding, in the case of the former, obligation

and duty to right. We have an illustration of the truth of this principle in the case of the Alien and Sedition Acts, which are now conceded on all sides to have been unconstitutional. Like the act incorporating the late bank, they expired by their own limitation; and like it, also, their effects continued after the period of their expiration. Individuals had been tried, convicted, fined, and imprisoned under them; but so far was their unconstitutionality from being regarded as an impediment to the right of arresting or undoing these effects, that Mr. Jefferson felt himself compelled, on that very account, to pardon those who had been convicted and fined under their provisions, and we have at this session passed, on the same grounds, an act to refund the money paid by one of the sufferers under them.* The principle is too clear to require further illustration, and the difficulty which some have felt in voting for this bill, because they believe that the charter of the late bank was unconstitutional, and apprehended that the passage of the bill would indirectly recognize its constitutionality, would, he trusted, be entirely removed by what he had said. So far otherwise, it imposed a duty on us to act as far as we may have the power; and this brings up the question how far we have the right, in this case, to arrest or undo the consequences, still resulting from the charter of the late bank, notwithstanding its expiration.

Those on the opposite side, who believe that this Government has unlimited control over the actual currency of the country, whatever form it may assume, or under whatever authority issued, can have no difficulty in the decision of this question. According to their conception the Government has a right to act on the thing itself—to prohibit the circulation of the notes of the old bank, in whosesoever hands they may be, and to call them in, just in the same manner as

* Dr. Cooper.

they could any worn out or debased coin, the circulation of which they might choose to prohibit. But we, who think differently, must find some other ground to justify our support of the bill. If, then, we cannot act on the notes themselves, on what can we act? Certainly not on the people at large, who are only subject to our jurisdiction in specified cases, of which the present is not one. It follows, if we can act at all, it must be on those who are personally subject to our jurisdiction, and this is precisely what the bill proposes to do. It is limited to those only who are the trustees, or agents for winding up the concerns of the late bank; and it is those and those only, who are subject to the penalties of the bill for reissuing its notes. They are, *pro tanto*, our officers, and, to that extent, subject to our jurisdiction, and liable to have their acts controlled, as far as they relate to the trust or agency confided to them; just as much so as receivers or collectors of the revenue would be. No one can doubt that we could prohibit them from passing off any description of paper currency that might come into their hands in their official character. Nor is the right less clear in reference to the persons who may be comprehended in this bill.

Whether Mr. Biddle, or others connected with his bank, are, in fact, trustees, or agents within the meaning of the bill, is not a question for us to decide. They are not named, nor referred to by description. The bill is very properly drawn up in general terms, so as to comprehend all cases of the kind, and would include the banks of the district, should Congress refuse to recharter them. It is left to the court and jury to whom it properly belongs, to decide, when a case comes up, whether the party is, or is not, a trustee, or agent—and, of course, whether he is, or is not included in the provisions of the bill. If he is, he will be subject to its penalties, but not otherwise; and it cannot possibly affect the question of the constitutionality of the bill, whether Mr.

Biddle, and others connected with him, are, or are not, comprehended in its provisions, and subject to its penalties.

It remains to be considered whether it is expedient to pass the bill. This point has been discussed with such ability by the Senators who preceded him on the same side, as to leave him but little to add. Congress has determined not to continue to exercise the power of authorizing banking, and permitted, accordingly, the charter of the late bank to expire; but, notwithstanding, the function of banking was still continued under its name and authority, by those whose duty it was to wind up the business of the defunct institution. The notes of the old bank are issued as freely as if the institution was still in existence, to the great profit of those who have no right whatever to use them, and who are not responsible for their redemption, and at the hazard of the ultimate loss of the community, and especially of those who were stockholders in the old, but not the present institution. Such being the facts, the dignity of the Government, and a regard to its interests, as well as those of the community, clearly demand our interposition.

With these expressions, he was in favor of the passage of the bill, and never gave a vote with a clearer conviction, both of right and expediency, than he would give for its passage.

REMARKS

On the Bill to separate the Government from Banks, delivered in the Senate, March 24th, 1838.

Mr. Calhoun said: Late as it was (near ten o'clock at night), and fatigued and exhausted as the Senate must be after sitting ten hours, he was compelled to intrude himself

on their patience. The question was on the engrossment of the bill; and as he could not possibly vote for it in the shape it had assumed, he was constrained to assign his reasons, but he would do it in the fewest words possible. He said he was most anxious to vote for the measure. He had taken the deepest interest in it, and felt most solicitous for its success; and if he thought that the bill, as amended, advanced the great cause for which he had been so earnestly contending, one inch, he would give it his vote. But such was not his impression. On the contrary, he believed that it was an entire surrender of the cause. He would go further—it was a retrograde movement, and would leave the cause in worse condition than it was. So far from a divorce from the banks and a return to the constitutional currency, the bill, as it stood, would virtually restore the deposit bank system again, with some features more objectionable than it formerly possessed; which he would now proceed to show.

On the motion of the Senator from Georgia (Mr. Cuthbert), the twenty-third section, which provides for the collection of the dues of the Government in specie, was struck out, with the aid of a few on this side, and the entire opposition to the divorce on the other. That section provided for the repeal of the Joint Resolution of 1816, which authorizes the receipt of bank-notes as cash in the dues of the public. The effects of this will be, should the bill pass in its present shape, that the Government will collect its revenue and make its disbursements exclusively in bank-notes, as it did before the suspension took place in May last. Things will stand precisely as they did then, with but a single exception, that the public deposits will be made with the officers of Government instead of the banks, under the provision of the Deposit Act of 1836. Thus far is certain. All agree that such is the fact; and such the effect of the passage of this bill as it stands. Now he intended to show conclusively that the difference between depositing the public money with

the public officers, or with the banks themselves, was merely nominal, as far as the operation and profits of the banks were concerned; that they would not make one cent less profit, or issue a single dollar less, if the deposits be kept by the officers of Government instead of themselves; and, of course, that the system would be equally subject to expansions and contractions, and equally exposed to catastrophes, like the present, in the one, as the other mode of keeping. He spoke of bank profits and bank issues generally, as derived from the deposit of public money,—the aggregate profits and issues of all banks, without reference to the distribution of those profits under the one or the other mode of keeping the public money. He would show, in a word, that the bill would no more divorce the Government from the banks, in relation to the deposits, than it would as it now stood, as to receiving their notes, and giving them credit and circulation as cash, in its dues and disbursements; and that it would unite them as effectually in respect to both, as they were before the suspension in May. Although the assertion might excite some surprise at first, it would be very easy to make plain every word he had said.

The profit which the banks derive from the public deposits, when their own notes were collected and deposited, as would be the case if the bill passed in its present form, arises from the withdrawing of their notes from circulation. While their notes are in deposit, they are as completely withdrawn from circulation, for the time, as if burnt or destroyed; and the withdrawal makes a vacuum to that extent in the circulation, which has to be filled up by new discounts, and, of course, increased business and profits; and this was equally true, whether the notes withdrawn were deposited in certain banks, as under the Deposit Act of 1836, or in the hands of receivers-general, and other executive officers, as proposed by this bill. The profit depended, in no degree, on the fact *where* their notes were deposited; but *on the amount with-*

drawn, and the length of time they were kept out of circulation. The larger the amount withdrawn, and the longer kept out, the greater the business and profits of the banks. Nor can the issues exceed the sum necessary to fill up the vacuum occasioned by the deposits, whether they be made with the banks themselves, or the officers of the Government. When the vacuum occasioned by the withdrawal is filled, whatever exceeds that must return on the banks, without regard to the place of deposit, and check further issues. It follows clearly from all this, that the deposit of the public funds, if collected in bank-notes (as proposed by the bill as it now unfortunately stands amended) in the custody of the public officers, would not in the least affect the discounts and the business of the banks. They would be as great as if deposited with the banks, and would keep the circulation of bank-notes as much expanded, and subject to as many fluctuations and shocks. These propositions he held to be incontrovertible. He would be glad to hear any member rise in his place and attempt to answer them.

Nor would the treasury be a particle more independent of the banks than under the deposit system, before the suspension of specie payments. The revenue, as he had said, would be collected under this bill, should it pass, as it was then, exclusively in bank-notes—which, on another suspension, would be just as worthless in the hands of the officers in whose custody they might be deposited, as they would be in the banks themselves; and which, of course, would again compel the Government, in such an event, to pay its debts in worthless rags, to its own great discredit and the loss of its creditors, or not pay them at all. Nor would it be possible, any more than in the present instance, to collect its debts in the legal currency of the country. Gold and silver would as certainly disappear as completely from circulation, under the operation of this bill, as it did under the system of bank deposit that existed at the time of the late suspension.

But if it will have no effect in rendering the treasury more independent of the banks, nor in limiting banking operations or profits, as it certainly will not—where, he asked, will it differ from the late deposit system under the act of 1836, which this bill is intended to supersede? There is, and can be, but one point of difference, viz., in the distribution of the profits from the deposits; and even that difference, he would show, is more apparent than real. Where the revenue is deposited with certain banks, selected by the Secretary of the Treasury, as under the act of 1836, the profits of the deposits accrue almost exclusively to them. They discount on them, and issue the notes of other banks, which they hold in deposit, or draw specie from them, and thus increase their business and profit, without incurring any additional liability; but where the deposits are made with the executive officers, the profits would accrue, apparently, to the banks generally. He said apparently, for it would depend wholly on the officers holding the deposits. They can, at pleasure, give the profit to what banks they please, by holding back the notes of one bank, and disbursing the notes of another, and thus keeping the notes of one out of circulation, and throwing the other into circulation through disbursements, to return on the banks issuing them. The effects of this would be to give one all the profit that it could derive from being a deposit bank, and strip the others almost entirely of the advantage of having their notes received in the dues of the Government. Take, for instance, two banks, in a place where the average public deposits were a million of dollars; is it not clear, if the executive officer would make it a rule to disburse the notes of one bank, and hold back those of the other, it would operate, in fact, as a standing loan to that amount in the favored bank?

The result is, that in either case the distribution of the profit resulting from the public deposits would depend on the Executive Department, whether made with the execu-

tive officers, or in deposit banks under the act of 1836. The Executive in one case would have the selection of the banks, and in the other the control over the subordinate officers of his department; with this difference, that when the bank was selected, it would, under the act of 1836, be under the control and protection of law, but the officers would be completely under the control of the head of the department at all times. This is the sum total of the difference. If you pass this bill, you have the one; and if you defeat it, you have the other.

Thus regarding it, and being opposed, on constitutional grounds, to receive any thing but the legal currency of the country, or Government securities, in the public dues, and to the increase of Executive patronage, he could not possibly vote for the bill as amended. He was decidedly opposed to all discretionary powers, especially in the Executive branch of the Government, and this bill would give greater than any that has ever passed. It would not only give the power to which he had already alluded of favoring what bank it pleased, but the controlling power of demanding specie, at pleasure of the Executive, of any bank it might desire to oppress, and abstaining from demanding of those it intended to favor. Powers such as these he regarded as incompatible with our free system of government, and he, for one, could not consent to confer them.

But he had other and insuperable objections. In giving the bill originally his support, he was governed by a deep conviction that the total separation of the Government and banks was indispensable. He firmly believed that we had reached a point where the separation was absolutely necessary to save both Government and banks. He was under a strong impression that the banking system had reached a point of decrepitude—that great and important changes were necessary to save it and prevent convulsions—and that the first step was a perpetual separation between them and

the Government. But there could be, in his opinion, no separation—no divorce—without collecting the public dues in the legal and constitutional currency of the country. Without that, all would prove a perfect delusion, as this bill would prove, should it pass. We had no constitutional right to treat the notes of mere private corporations as cash; and if we did, nothing would be done.

These views, and many others similar, he had openly expressed, in which the great body of the gentlemen around him had concurred. We stand openly pledged to them before the country and the world. We had fought the battle manfully and successfully. The cause was good, and having stood the first shock, nothing was necessary, but firmness; standing fast on our position to insure victory—a great and glorious victory in a noble cause, which was calculated to effect a more important reformation in the condition of society than any in our time—he for one, could not agree to terminate all these mighty efforts, at this and the extra session, by returning to a complete and perfect reunion with the banks in the worst and most dangerous form. He would not belie all that he had said and done, by voting for the bill as it now stood amended; and to terminate that which was so gloriously begun, in so miserable a farce. He could not but feel deeply disappointed in what he had reason to apprehend would be the result—to have all our efforts and labor thrown away, and the hopes of the country disappointed. All would be lost! No; he expressed himself too strongly. Be the vote what it may, the discussion would stand. Light had gone abroad. The public mind had been aroused, for the first time, and directed to this great subject. The intelligence of the country is every where busy in exploring its depths and intricacies, and would not cease to investigate till all its labyrinths were traced. The seed that has been sown will sprout and grow to maturity; the revolution that has been begun will go through, be our course what it may.

The alternative to the rejection of this bill would be to do nothing, which, in his opinion, was infinitely preferable. It would throw the responsibility from this on the opposite side. We would thus have done all we could, and if nothing be done, theirs would be the fault; and the country would hold them responsible. But to pass this bill in its present form would be to assume, not only the responsibility of acting, but of leaving things in a worse condition than we find them; to strike the disease deeper into the system, and render it more concealed and dangerous, while the attention of the patient would be withdrawn for a time from his danger. If, on the contrary, we stand fast on our principles and professions, and suffer the bill to be lost rather than yield our principles, the public attention would be doubly roused; the subject would be more fully and perfectly investigated and understood, and the great cause we have so nobly supported would finally and gloriously triumph. Let others do as they may, he would maintain his position, and stand where he stood in 1834, and ever since. He could not be driven from it when others came to it, and now he could not be drawn from it by their departing. To stand alone had no terrors for him. It was to him not unusual.

REMARKS

On the Resolution of Mr. Clay, to prohibit discriminations, as to the currency or medium receivable in payment of debts due to the Government; made in the Senate, May 2d and 25th, 1838.

[*May* 2.—On motion of Mr. Clay of Kentucky, the following resolution, submitted by him, was taken up, and read a second time:—

"*Resolved*, &c., That no discrimination shall be made as to the currency or medium of payment in the several branches of the public

revenue, or in debts or dues to the Government; and that, until otherwise ordered by Congress, the notes of sound banks which are payable and paid on demand in the legal currency of the United States, under suitable restrictions, to be forthwith prescribed and promulgated by the Secretary of the Treasury, shall be received in payment of the revenue, and of debts and dues to the Government, and shall be subsequently disbursed, in course of public expenditure, to all public creditors who are willing to receive them."]

Mr. Calhoun said, he was gratified that the Senator from Kentucky had introduced this resolution. The banks were about to resume specie payment, or rather had actually resumed,—and this in the most easy manner, and in the shortest period that resumption had ever been effected, notwithstanding all the predictions to the contrary, so confidently made on the opposite side, that resumption was impossible without the aid of Government.

The movement was an important one, and demanded our immediate attention, in order to determine what relation we ought to assume in reference to the banks, in the new condition in which they are, or shortly may be. The resolution offered a favorable opportunity for the consideration of the subject, which he thought ought to be embraced.

He had turned his attention particularly to the subject, and intended to do so much more fully, before the resolution was taken up for discussion; but with the slight consideration which he had given it, he felt a strong conviction that a reunion with the banks, as proposed by the resolution, would, at no distant day, be followed by another shock, such as that in May last, but still more terrific. He would not enter on the discussion now, but hoped an opportunity would be afforded him, in the progress of the resolution, to assign his reasons for this belief, and when, he trusted, he would be able to satisfy the Senate that it was well-founded.

In the mean time, acting under its influence, he, for one, would do no act to countenance, in any way, a reunion with

the banks. Indeed, he could not see how even those who are in favor of a reunion, could justify a vote in its favor, unless some measure should first be adopted to guard against a recurrence of a calamity which he regarded as so obviously inevitable, without some effectual remedy to prevent it. As to himself, he believed that a National Bank was totally out of the question; and, if it were not, it would prove, if adopted under existing circumstances, one of the greatest calamities that could befall the country.

Thus thinking, it appeared to him that this resolution should undergo a full and deliberate investigation; and, for that purpose, if the Chairman of the Committee on Finance was in his seat, he would ask him to withdraw his motion for a reference, in order to assign an early day—say Monday or Tuesday next—to take up the resolution for discussion. After the views of the Senate had been fully expressed, if it should be thought advisable, it might then be referred.

[Mr. Clay remarked, that with the exception of a few banks in New-York, and probably one or two in New Jersey, none others had admitted their readiness to resume. Some of these institutions had named the first of January as the earliest period, while others, again, thought a much longer period would be required. We all know that those of Tennessee, Arkansas, and Mississippi, would not be ready under two years. What he (Mr. C.) meant to say was, there would be no general resumption. He had never said that an United States Bank was indispensable to a resumption of specie payments. What he had said, and what he would say now, was, that under the present deposit system, without the agency of an United States Bank, if they did resume, they could not continue for any length of time. Mr. C. said he was well aware that the discussion of the question of an United States Bank was foreign to the matter before them just then; but he was for a Bank of the United States, and wished it so pronounced, so understood, that every man, woman, and child, should know it; and he would take some suitable occasion hereafter to present his views in relation to an United States Bank, such as he thought would be required by the exigency of the times. What his resolution

proposed was, to give the sanction of law to this measure, and not leave it to the whim and caprice of the Postmaster-General and the Secretary of the Treasury.]

Mr. Calhoun said, that in making the declaration he did, that specie payments had been resumed, he did not suppose that any Senator would understand him as affirming that all the banks had commenced paying specie. He only meant to say, that a commencement had been made, and that, in spite of the declaration so confidently made, that it could not be without the aid of the Government. He ventured little in saying, that what had been commenced, would, under the operation of the causes that had produced it, go on till there would be a general resumption; and that an event so desired would be accomplished in the shortest time, and with the least pressure, under the action of natural causes, without the aid of quackery. Under this impression, he had, from the first, opposed all intermeddling on our part. He had always, as he expressed himself at the extra session, dreaded the doctor more than the disease.

He could not agree with the mover of this resolution, that this was an improper time to discuss the merits of a National Bank. He (the mover), as well as the Senator from Massachusetts furthest from the Chair, agreed that, unless some effectual remedy should be adopted, another bank explosion would in a few years take place. The thing is inevitable; and how can they, or any one who thinks with them, justify their vote in favor of this resolution, which proposes to unite the Government with the banks, without applying the only remedy which, according to their conception, can prevent so great a calamity? If the application is impossible now, it would only prove, even according to their own conception, that the time for a reunion with the banks has not yet arrived.

As to himself, he agreed that there were but two measures which could possibly prevent a repetition of the ex-

plosion, which it is now contended on all sides must follow, without the application of some effectual remedy ; a complete and an entire divorce from the whole system, or the establishment of a National Bank ; and of the two, he considered the former as by far the most safe and effectual. This resolution proposes an entire abandonment of the divorce, without substituting the bank, or any other preventive measure in its place, which appeared to him by far the least defensible course that could be adopted. The plainest dictates of prudence demanded that we should adhere to the remedy we have, till another could be substituted. At all events, this was the suitable moment to determine on our future course; and the opportunity which this resolution afforded for discussion and deliberation, ought not to be permitted to pass in silence. Specie is flowing in with a strong current from all quarters, just as it did previous to the late suspension ; and unless some measure be adopted to prevent it, it will become the means of enlarging banking operations, instead of entering into the general circulation of the country, in the same manner as it did then. The result will inevitably be another expansion, and another explosion more calamitous than the late one, unless, as he had said, some effectual measure be adopted to prevent it. He, and those who thought with him, believed that the most safe and effectual was a complete and entire divorce from the banking system ; while those who differed from us, for the most part, believed that a National Bank was the only safe and effectual measure. Now was the time for a thorough examination and comparison of the two measures. Indeed, he could not see how even the friends of a reunion could vote for this measure, without previously adopting some remedy against the danger which even they admitted. The country could not stand another explosion. It would not only overthrow the banking system, but would shake our institutions to their centre.

The Senator from Massachusetts (Mr. Davis) said, as he

understood him, that the late explosion was caused by the Independent Treasury scheme. Such he conceived not to be the fact. Instead of being the cause it was but the consequence. The existing laws provided that on the banks ceasing to pay specie, they should cease to be the fiscal agents of the Government, and have their notes received in the public dues. The Independent Treasury was the result of this provision, and has, in fact, been in existence ever since the explosion. Under its operation, the banks are gradually resuming specie payments, and the currency returning comparatively to a sound condition. But for that, it would have become daily more and more bloated, till the disease would have been utterly incurable. Every State would have had a direct interest in enlarging its circulation; for, the more expanded the circulation, the greater would have been the depreciation—and the greater the depreciation at any point, the more certainly would the commerce of the country have been attracted to it, just as was the case after the late war. The reason is obvious. The greater the depreciation, the less in reality would be the amount of duty paid. It was thus that the divorce had not only checked the increase of the evil, but had, in a great measure, counteracted it; and it was a safe conclusion, that a remedy which had proved so efficacious in removing the disease, should prove not less so, if persisted in, to prevent its recurrence.

The mover of the resolution thinks very differently. He believes a National Bank to be the only effectual remedy, and promises to suggest a project for one during the present session. He was glad to hear him say so. Now was the time, and he hoped that he would be prepared to suggest his plan when his resolution should be taken up for discussion.

Mr. C. said, that as the Chairman of the Committee on Finance was now in his place, he would renew the expression of his hope that he would not insist on a reference. He thought the better course would be for the discussion to pre-

cede the reference; but he would, notwithstanding, vote for it, if insisted on, as he did not wish to embarrass any arrangement the committee may have made.

[Mr. Clay said, the banks in New-York were to resume, he was aware, but there was an immense difference between a nominal issue and a safe issue. Under the present state of things, the banks could not lend; they did not know how long it might be the pleasure of those officers—the Postmaster-General and the Secretary of the Treasury—to sustain them. They might come down upon the banks at their pleasure, demand the dues of Government in specie, and cripple those institutions in their business.]

Mr. Calhoun said, he certainly did not think that the Senator from Kentucky "was so silly" as to introduce a bill to charter a Bank of the United States, after the sense of the Senate had been so unequivocally expressed against any such institution. He even considered him not a little indiscreet in promising to present the outlines of a bank, considering the object which *he* has in view. It was manifestly his intention to turn the public attention as strongly as possible towards a bank, as the only measure of relief. What he (Mr. Calhoun) wanted, on the other hand, was some definite plan of such an institution to be proposed by his friends, in order to have something tangible, between which and the Sub-Treasury a comparison might be drawn. He felt very confident, whenever it was presented, that it would not be difficult to demonstrate the superiority of the latter to the former. He might be mistaken, but he could not but feel, after much reflection, that the establishment of a National Bank, under existing circumstances, for the purpose of regulating the currency, would prove a curse to the country. If made sufficiently powerful to effect that object, it would be too strong for our liberty; but, if not strong enough, it would be too weak to effect the object proposed, and, of course, would not prevent the explosion in the cur-

rency which, it is conceded on all sides, must again take place, if the Sub-Treasury be surrendered, and no effectual remedy be applied to prevent it.

Under this impression, he thought it highly desirable that the Senator should present his project now. He saw no reason for the delay; but on the contrary, he regarded the present occasion, when we were called upon by the mover of the resolution to abandon the measure which has thus far proved effectual, and again reunite the Government to the banks, as the most suitable of any to bring forward his plan.

[*May* 25.—Mr. Webster (Mr. Clay assenting) offered the following amendment:

Strike out the first clause of the resolution after the enacting clause, and insert—

"That it shall not be lawful for the Secretary of the Treasury to make, or to continue in force, any general order which shall create any difference between the different branches of revenue, as to the money or medium of payment, in which debts or dues, accruing to the United States, may be paid."]

Mr. Calhoun said, that he agreed with the Senator from Massachusetts (Mr. Webster), that the resolution of 1816 conferred no discretionary power on the Executive, and that the specie circular was illegal and unconstitutional. Such was the unanimous opinion of the opposition at the last session, and it was accordingly opposed, not only as having been issued without authority, but also on the ground that it was an assumption of power calculated to give vast influence to the Executive, and, as such, was of a most dangerous character,—in which he understood the Senator concurred. Entertaining these views, it was impossible for him to vote for this resolution. It indeed superseded the portion of the circular that made a discrimination between the medium in which the public lands and the customs should be paid; but in doing that, it abandoned to the Executive the right to designate at its pleasure in what the public dues should be paid, with the

single exception that he should make no discrimination between one branch of the revenue and another. He could never agree to confer such power on the Executive, or any other department of the Government. It would give a great and dangerous influence to that branch of the Government; and he must say that, after what he had heard from the Senator and his political friends in opposition to the Executive power and influence for the last few years, he was at a loss to reconcile their votes on the present occasion with what they had so often avowed to be the principle on which they acted. Nor was his surprise diminished by the reason which he had assigned as a justification of his course.

He (Mr. W.) admits that this resolution surrenders the power in question to the Executive, and that he may, under the authority which it implies, direct the revenue, at his option, to be collected in gold and silver or bank-notes; but alleges, in justification, that the power was in reality surrendered at the last session by the Senate, in voting for the measure introduced by the Senator from Virginia (Mr. Rives). He would admit that that measure, like this, yielded the power; but he could not agree that those who voted for it believed that the Executive had the power to issue the circular. On the contrary, it is well known that the great body of the opposition who voted for it, regarded the exercise of the power as a plain and dangerous act of usurpation; but then, as now, were willing to yield it to get clear of a present inconvenience. The measure failed then to become a law, by the President withholding his approval; and now the Senator, on so frail a foundation, abandons a power to the Executive, which he, and those who act with him, denounced as illegal, unconstitutional, and dangerous! He regards a mere vote of the body as sufficient to establish a most obnoxious principle without further struggle; and, for the purpose of getting clear of a temporary inconvenience, is willing to confer discretionary power too high to be intrusted to a

Washington, on that department of the Government which he has so often held up to our jealousy and fear.

He admitted that where there was no principle involved, and where the subject was one of slight importance, we might regard a vote of the body as deciding the question; but, in a case like this, where the power and principle involved are of great importance, nothing could be more feeble and unwise than to surrender our ground on the first trial of strength, and that under such doubtful circumstances. As connected with the subject, he would avail himself of the opportunity to state what was his course in reference to the circular at the last session. A Senator from Ohio, now no longer a member of the body (Mr. Ewing), moved a resolution to repeal it. Though decidedly opposed to the circular, he hesitated to vote for his resolution, on the ground that he doubted the right of Congress to repeal an Executive order; though we might supersede it by passing an act inconsistent with it, as is now proposed by this resolution. He expressed his doubts to the mover, and the apprehension that a direct repeal might bring the Senate into a conflict with the Executive, in which it would be difficult to maintain our ground. It was, however, soon ascertained that the supporters of the administration, who were opposed to the circular, would not vote for the repeal, on the ground that it denied the authority of the Executive to issue the circular, which they maintained. The consequence was, a compromise between the opposition and that portion of the friends of the administration,—and the measure of the Senator from Virginia was the result. Though urged to assent to it, he refused, on the ground on which he now opposes this resolution, that it abandoned the right to the Executive to issue the circular, to which he could not bring his mind to assent, either then or now. He had another reason. He then foresaw what was coming. He clearly perceived that the explosion would take place, whether the circular was repealed or

not; and he would not agree to do any thing by which the least share of the responsibility would attach to him. He was free from all blame, and was determined, as he now is, to avoid any acts by which the disaster that has befallen, or may hereafter, might be imputed to him. He intended, when the measure was on its passage, to have stated at large his views on the subject, and his reasons for voting against it, but was accidentally prevented; and as he did not choose to vote against it without presenting his reasons, he declined answering when his name was called.

He not only agreed with the Senator, that the resolution of 1816 conferred no discretionary power on the Executive, but that its object was simply to prevent the receipt of the notes of banks that refused to pay on demand. During the late war, the treasury had been compelled to receive such notes; and the practice, illegal and pernicious as it was, could not be arrested immediately on the return of peace, or without the intervention or the authority of Congress. Having performed the function for which it had been adopted, the resolution itself ought to be considered defunct.

He could not agree with those on the one hand, who considered it mandatory, or on the other, as conferring discretionary power on the Executive. It was a simple recognition of the long-continued practice of the treasury to receive the notes of banks that were paid on demand, while it overruled the more recent practice of receiving those that were not; and it may fairly be considered as a sanction of the former, and a condemnation of the latter. It is well known how the practice originated. The act of Congress, passed in 1789, directed all the dues of the Government to be paid in gold and silver coins. The then Secretary of the Treasury, in the face of this positive law, acting under the dangerous and delusive idea still entertained by the Senator from Massachusetts, that bank-notes were identical with gold and silver, ordered them, contrary both to law and the

constitution, to be received at the treasury as specie. Congress acquiesced, and thus gave its implied sanction to this dangerous order, which has been productive of so much mischief. Thus things stood when the general suspension took place this time twelve months, when the Government became disconnected entirely from the banks. That event ought to be fairly considered as putting an end to a practice that ought never to have existed, and restoring the ascendency to the laws, which are still on the statute books unrepealed, and which direct nothing but the legal coins of the Government to be received in the public dues. He regretted that the Executive did not seize the occasion, and rescind, as it might fairly have done, the original order of General Hamilton, and thus restore the currency to what the constitution intended. It would have been, in his opinion, the proper course; and one in which the country would have sustained it triumphantly.

His object in making these remarks was not to influence the Senate, but to place himself on the ground on which he desired to stand in reference to this question. He saw what was coming, and experience had taught him the necessity, in discharging his duty, to guard against misrepresentation. No opportunity had been omitted, for years past, to distort and misrepresent all he said, or did—which he had been able to baffle only by a rigid adherence to what he believed to be right, accompanied by a faithful exposition of his views on all trying questions. He did not doubt but that another explosion would follow at no distant day; and he believed the Senate was moving precipitately and thoughtlessly in the direction that would produce it.

The Senator tells us that the present crisis is very like that of 1816. He could not agree with him. The two were in his opinion wholly unlike, both in the causes which led to them and the consequences likely to follow. The former occurred in a period of war, and grew out of circumstances

connected with it; and as the only other general suspension that had ever occurred before took place under similar circumstances (he meant the one in England), the impression was that the suspension was the mere incident of war, and belonging exclusively to such periods. The only thing then thought to be necessary was to cause a resumption, when it was believed the system would move on steadily and successfully, without the hazard of a shock, till another war. We were all, in fact, at that time, very ignorant of the real character of the banking system, and the dangers to which it was exposed. But what is the fact now? The stoppage has taken place in time of profound peace and universal prosperity. The system has sunk down, and stopped on a dead level. It is in vain we again call on an United States Bank to put it in motion. The establishment of one would crush half of the existing institutions, and cause a derangement and distress greater than what followed in 1818, 1819 and 1820, after the establishment of the former.

The only safe remedy is the total and entire separation of the Government from the banks. The evil lies in the union, and the remedy in disconnection. That has already partially restored the system to a healthy condition, and, if persisted in, would effect a permanent cure. Had it not been for the separation, the disease, instead of being arrested in a great degree, as it is, would have been greatly aggravated, if not wholly incurable. Instead of resumption, bank paper would have gone on rapidly depreciating; all of the cities along the coast would have been interested in depreciating their bank paper. The more they depreciated it, the less duty, in point of fact, they would have had to pay, and the city that depreciated most would have drawn all the trade. The separation prevented this state of things, and threw the inducement into the opposite scale—that of resuming, instead of depreciating the paper. Continue the remedy, and a complete restoration would follow; but instead of that, our daily

study is to get clear of it, and to return to that very state of things which caused it.

It is time we should reflect and understand the laws that govern the disease that now afflicts the country. When a suspension takes place, there are but two modes by which a cure can be effected: the one is to leave it to the gentle operation of time, without coercion, under the simple application that has been made in this case; and the other is to resort to an United States Bank, or some other instrument of coercion. The former has the advantage of effecting a cure without destroying the public institutions, and oppressing the debtor class, but leaves the patient subject to relapse. It simply brings the system back to where it stood prior to the attack, and leaves it exposed to another. To guard against a relapse, the tonic which stopped the disease must be continued. It must not be discontinued on the first intermission of the disease. Such is the present case. The tonic which has arrested the disease, as he had stated, is the withdrawal of the Government from a connection with the banks. It has brought the banking system back to where it was before the suspension, and, if continued, will restore it to health; but, if discontinued, will be sure to be followed by a relapse.

The other remedy is to establish a National Bank, and to keep the system right by its controlling influence; and those who are in favor of it are impatient to lay aside the remedy that has already proved to be so efficacious, and at the same time so gentle. They may succeed in this, but unless he was wholly deceived, they will be entirely deceived in their favorite remedy. It will be, in his opinion, impossible to establish a bank. All the powerful existing institutions, and those that are contemplated, will be opposed to it, which, added to those who are opposed to it on the higher grounds of the constitution and liberty, will interpose an obstacle not to be overcome. But if it should be established, it would prove but a temporary remedy. It would crush, as he had

stated, half of the existing institutions, leaving an open space for its own operation; and during this state of things, the currency would be comparatively sound, and safe from the hazard of revulsion. But a new crop of banks would spring up in the course of ten or fifteen years, which would again encumber and crowd each other, and cause another struggle for existence, just as was the case before the expiration of the charter of the late bank, to be followed by similar, but more disastrous consequences.

He would say to those with whom he had been acting on this occasion, you have a good cause, and all that is wanting is firmness and fidelity to it. Be careful to avoid every act which will leave the people doubtful as to your sincerity. Nothing will prove so fatal to the cause. What has been done already has caused great mischief in unsettling the public mind. Nothing was so fatal to a good cause as art and management. He had some experience in political affairs, and had never yet known a good cause, honestly and manfully maintained, fail to succeed.

REMARKS

On the Amendment to Mr. Webster's Bill in regard to the Public Deposits, made in the Senate, June 28th, 1838.

Mr. Calhoun said: I shall vote against the amendment of the Senator from Pennsylvania (Mr. Buchanan) in the first instance; and, if that should fail, vote against the bill itself. I am opposed to both, and prefer things as they are, to either;—but, if one or the other must prevail, I would rather see the bill succeed than the amendment. I prefer the bill,

among other reasons, because it comes from the proper quarter—from the responsible party. We who are in favor of the Constitutional Treasury (for that is the proper name) have done all we could to effect our object; all has been defeated for the present. We have already made all the concessions consistent with the great and constitutional ground of separating Government and banks, which we have pledged ourselves to maintain. In order to effect this most important object, and to avoid the possibility of a pressure in carrying it through, we proposed to effect the separation gradually and slowly, through the long period of seven years. But notwithstanding this liberal concession, we have been defeated on a vote, going directly to the merits of the question, by a small majority. Our defeat has shifted the responsibility. It is admitted on all sides that something ought to be done, and that the revenue ought not to be left under the mere discretion of the Executive. We, who are for the separation, have met the responsibility fairly and fully, by proposing what we believed to be the proper remedy, and have failed; and it now belongs to those who have defeated us to propose theirs, or to stand responsible for the continuance of the present state of things, to which all sides are opposed. Our Government, it must be remembered, is very different from that of Great Britain. There the responsibility is wholly on the ministry, which is forced to retire on a defeat or to dissolve Parliament, and make a direct appeal to the people; but according to the principles of our Government, all are responsible; with this difference only, that the Executive, who is charged to administer the Government, is bound to recommend, in the first instance, the measure he deems proper, which, if it fails, throws the responsibility to find a substitute on those who have defeated his recommendation. In this case, I am for leaving the responsibility where reason, and the forms of our Government, place it. The Senator from Massachusetts, feeling this responsibility, has brought forward this bill; and

although I cannot, in conformity with my principles, give it any support, yet with these views of the two measures, other considerations being equal, I should prefer that the bill should be adopted rather than the amendment.

There is another view of the subject which raises strong objections in my mind to the amendment. Coming from the quarter it does, it is calculated to distract and confound the friends of the Constitutional Treasury, though I feel confident it was not so intended. I do but justice to the mover in saying, his declarations and votes, when not instructed, have been uniform and steady in favor of this great measure of reform; but it is not the less certain, that the measure he proposes must have an unhappy effect. It cannot be disguised, that the real issue is between the Constitutional Treasury—that is, that the Government should collect and keep, by its own officers, the revenues in the currency of the constitution, free from all connections with private corporations—and a National Bank. This is the real issue that divides the people and their representatives.

There are, indeed, a few respectable individuals who are in favor of the pet bank system, and still fewer in favor of special deposits; but they are too few to make a party, or to be taken into the estimate. It is desirable on all sides that the real issue should be seen, and that the people should prepare to meet it. It is indeed a great issue, involving a great revolution in our social condition, and the fate of our free institutions. The proposition of a special deposit system, coming as it does from a friendly and prominent quarter, cannot but tend to confound the friends of the Constitutional Treasury at this critical moment, and excite distrust and suspicion. It illy accords with the lofty position that we have sustained, I will say with such triumphant and unanswerable arguments, and which have done so much to brace and prepare the public mind to meet this mighty contest; and in this case I cannot but regret the move as very

unfortunate. If there was a move that required inflexible firmness, and when the least giving way was hazardous, it was this. Our cause is good. We have truth, reason, justice, and the constitution on our side; and these, if the cause be firmly and manfully maintained, must in the end prevail. I have never yet seen a good cause, supported as it ought to be, fail of success. In this case I always dreaded the onset. I saw the power of the opposite side sustained by the almost undivided banking interest of the country, and knew how imperfectly the question at issue was understood by the country at large; while, at the same time, I clearly perceived that such was the solidity and strength of our cause at bottom, that if we could resist the first onset without being utterly overwhelmed, victory in the end, if we stood fast, was inevitable. Well, we have met the first shock; and though defeated, so far from overthrown, a few more votes would have carried the cause triumphantly through both Houses. We have now only to stand fast till the people shall come to the rescue of the constitution and our free institutions; and come they will, with an overwhelming rush, when they come to understand the true character of the issue, if we, whom they have appointed to stand sentinels, do not desert or betray our trust. Thus regarding the character of the struggle, I would have a strong repugnance to vote for the amendment, coming from the quarter it does, even if I thought much more favorably of it than I do.

But, independent of these considerations, I cannot give it my support. I consider it of itself much more objectionable than the bill. The adoption of either would restore the pet bank system; but the latter, in a much more objectionable form, as will be manifest on a comparison of their respective provisions. They both propose to make the banks the depositaries of the public money, and to collect the revenue in bank-notes. The essential difference between them,

and the only essential difference, as I shall show, is, that the amendment proposes to repeal entirely the Deposit Act of 1836, as far as it relates to the banks, and the bill to retain it, with some, but not very important modifications, which it is not necessary to enumerate. The difference, then, is this: if the amendment prevails, we shall have the pet bank system, without any legal restrictions or limitations, as it stood prior to the passage of the Deposit Act of 1836; and if the bill prevails, we shall have it with all the restrictions and limitations which that act provides, except, as I have stated, a few not important modifications. The repeal of the act would give the Executive the right to select what banks he pleased, and as many as he pleased, to keep the public money; to dismiss them at his pleasure; to establish what regulations he chose; and to bestow or withhold favors at pleasure; in a word, would place the whole under his unlimited will and discretion. Such would be the case, if the amendment should prevail. On the other hand, if the bill should, the selection, the dismissal, the regulation, the duties to be performed, and the compensation to be paid for the use of the public funds, would all be under the control of law, instead of being left to Executive discretion. I am, said Mr. C., opposed to discretionary power: and when forced to decide between a system of deposit regulated by law, and one left to discretion, must prefer the former, though decidedly opposed to both; and must, therefore, vote in the first instance against the amendment, and, should that fail, against the bill itself.

[After some remarks from Mr. Buchanan, and from Mr. Clay in opposition to the amendment, Mr. Calhoun said:—]

I rise to notice some remarks of the Senator from Kentucky (Mr. Clay), intended to represent me as a partisan of the administration. I have no fear that they would have the least possible effect within the limits of these walls, where

my course is well known and understood. I confidently appeal to every Senator present, whether my acts and votes on all occasions, have not been in strict conformity to principles which I have been known long to entertain. Not an instance can be pointed out to the contrary. But though the Senator's declarations will be harmless here, they may not be so beyond these walls, where they were intended to have an effect, if I should remain silent; and it is only on that account I notice them. I am no partisan of any man, nor any administration. I am free to act on all questions according to my unbiased judgment, unembarrassed by party trammels. I concur with the administration on the great question of the Constitutional Treasury, and have given, and will continue to give them, so far as that is concerned, a sincere, decided, and hearty support; and shall stand prepared to support or oppose whatever other measure they may propose, just as it may, or may not, accord with my principles and views of policy. I hope they may give me many opportunities to support, and few to oppose them. It is my fortune to stand here alone, looking to no other guide in the discharge of my duty, but God and my conscience. I seek neither office nor popular favor.

The Senator asks me if I belong to that sectional party in the South, which he intimates has views not very friendly to the continuance of the Union. He was not very explicit in his reference. If he means the party there which has stood up for Southern rights and interests—the party opposed to the tariff and his American System, to unequal and excessive duties and appropriations, the party opposed to abolition, and in favor of the direct trade—I am proud to say that I do belong to that party; but, if he refers to any party entertaining views or feelings hostile to the Union, I have only to say, I know of no such party there, nor do I belong to any such.

Providence, Mr. President, has pleased to cast my lot in

the weakest and most exposed section of the Union; and I have, and shall continue to defend it, as far as my abilities go, against all oppressive and unconstitutional acts, without regarding how it may affect my popularity and standing in other quarters. Nor, in doing this, am I in the least actuated by a feeling of hostility towards this Union, or any section of the country. I defy my most bitter enemy to point out any act of injustice or oppression towards any other portion of the Union, that I have ever countenanced, unless, indeed, resistance to injustice towards my own should be considered injustice towards other sections, which might be benefited by it. So far from hostility, I have been governed by directly the opposite motives—by a deep and an abiding attachment to the Union, and the most anxious desire to preserve it and its integrity. Our Union rests on justice—on the equal distribution of its advantages and burdens. So long as that is preserved, there is no danger to the Union; while, on the other hand, if it be habitually and permanently disregarded, nothing can preserve it. He knows nothing of the human heart, or the working of a political system extended over so wide a country, who does not see that there must be a constant tendency on the part of the stronger portion, to monopolize all the advantages for itself, and to transfer all its burdens to the weaker. Nor is he less ignorant, who does not see that such a tendency must, in the end, prove fatal to the Government, if not steadily and successfully resisted. It has been my fortune to see and act on these principles, and in doing so, I have been governed not only by a sense of justice towards those whom I represent, and the portion of the country to which they belong, but by deep devotion to the interest of the whole Union. The Senator seems to take a different view. He would seem to regard resistance to wrong as hostility to the Union, and the support of aggression as the means of preserving it. He habitually confines his censure to those who oppose oppression, without ever rais-

ing his voice against the oppressor. I am, however, glad to see that he does not entirely deny the truth of the principles on which I act. He is at last compelled to admit, that abolition is making greater progress than he anticipated, and to acknowledge that the time may come when he shall be compelled to take a stand and lead against the fanatics. We may then oppose aggression, I suppose, without losing attachment to the Union, at least on the abolition question; but if we may do it in that case, I would ask why we may not also against the tariff and American System, and other oppressive measures to which the South has been opposed? Why shall it be justifiable in the one, and not in the other case?

The Senator thinks I have been too stern and uncompromising in my opposition to the fanatics, and that its effect has been to increase their number. He would take a more compromising course. He would have opened the doors of this Chamber to their admission, and reasoned the case with them, whether we had a title to our property or not. Without adding a word, I leave those interested to judge which of the two courses is the safest and best.

The Senator regards the defeat of the Constitutional Treasury Bill in the other House, as a complete overthrow, and raises the shout of victory. He greatly mistakes. It is but a skirmish at the commencement of a conflict, which is destined to last for years. The cause of the struggle is too deep, to terminate with the first onset; and so far from being discouraged by the slight defeat which some half a dozen of votes would have turned into a victory, I feel a renewed assurance of final and complete triumph, if we but stand fast. What I always dreaded, as I have said, was the first shock. I never doubted, if it could be resisted, a final and glorious triumph awaited the cause we advocated. We have now met the first shock; and, so far from being overwhelmed, we have been defeated by only a few votes. Time is now

working for us. The discussion is gone to the community. Truth and reason are on our side. Our arguments neither have been, nor can be answered; and time and reflection only are wanting to give them their full effect. The people are roused; and their attention is intensely directed to the subject, which will not fail to tell hereafter.

In the mean time, the difficulties on the opposite side will soon begin to present themselves. They have thus far had the easy task of being the assailants, but the very victory, of which they boast so much, throws the responsibility on them, and will compel them to move; and let me tell the Senator, when he comes to bring forward his gigantic scheme of blending into one the General and State Governments, and uniting the two with the great capitalists of the country, in his fifty million bank, with the view of controlling the currency and industry of the country; when, in a word, he comes *to rear up his bank monarchy* to govern the country with despotic sway, he will begin to find his trouble. He will find it no easy task to fix on the seat of its empire, and place the despot on his throne; and whenever he attempts it, let me tell him, instead of a slight defeat of a few votes, as we have experienced, he will be overwhelmed with a Waterloo overthrow, from which he and his cause will never recover.

SPEECH

On the engrossment of the Bill to graduate the price of the Public Lands, delivered in the Senate, January 15th, 1839.

Mr. Calhoun said: I have no desire, Mr. President, to retard, in the smallest degree, the final action of the Senate on this bill; and in order to avoid unnecessary consumption of time, I intend to state, as concisely as possible, my views of the proper policy to be pursued in reference to the public lands, lying within the limits of the new States; and my reasons for voting against the engrossment of this bill.

I shall begin by premising, that I am under strong conviction, both from observation and reflection, that we have arrived at the period when an entire revolution of our land system, as far as it is applicable to those States, is unavoidable. They have, in fact, outgrown the system. Since its first adoption, they have come into existence, have passed through a state of infancy, and are now arrived at manhood. The system which was wise and just at first, is neither wise nor just when applied to them in their changed condition.

We have heard much, Mr. President, in the present discussion, about the growth of the new States; but, if I may judge from the various measures proposed on the present occasion, we have neither realized its rapidity, nor the unavoidable changes in our land system which must follow in its train. Their wonderful growth is, indeed, one of those realities almost beyond the grasp of imagination. When I go back twenty-seven years, to the period when I first became a member of the other House, and compare what the new States then were, with what they now are, I am lost in wonder and amazement. Their growth is without example.

There is nothing like it in history. At that time, there was but a single new State (Ohio). I exclude Kentucky, Tennessee, and Maine,—all of which have been admitted since the adoption of the constitution,—and limit my remarks to those which have since sprung up on the public domain.

Ohio had then but one Representative in the other House—Jeremiah Morrow, an honest and sensible man, who was, at that time, at the head of the Committee on Public Lands, and had the confidence of the House so completely that his voice was the law on all subjects connected with them. So little interest did they, at that time, excite. There were then thirty-two Senators in all; of which Ohio had, of course, two; that is, the one-sixteenth of the whole. In the electoral college she had three votes, which made her weight about the one-fiftieth in that body—a weight scarcely felt or estimated in the political movements of the day.

Such, at that time, was the infant and feeble condition of the new States. Since then, in a period but little exceeding that allotted to a single generation, to pass over the stage of life, how wonderful the change! Instead of one, as then, there are now nine new States; and in the place of two Senators in thirty-two, we now have eighteen in fifty-two; making, instead of one-sixteenth, more than a third of the whole: and, already, three territories, Florida, Wisconsin, and Iowa, are struggling for admission. When admitted, which must be shortly, there will then be twelve new States, with twenty-four Senators in fifty-six, which will increase their relative weight in this body to three-sevenths of the whole.

But, wonderful as has been the increase in this body, it will be still more so, after the next census, in the other. It will be taken next year, and a new apportionment of the members will be made under the constitution; when, instead of a single member,—being less than one in a hundred,

as was the case twenty-seven years ago,—the representation of the new States will stand to the old, at least, as forty to sixty, or two-fifths of the whole, as calculated by a friend familiar with the subject, and in whose accuracy I have entire confidence. The new States having, as they will then, three-sevenths in this, and two-fifths in the other House, will, of course, have a relative weight in the electoral college—or, what is the same thing, in the choice of a President, compounded of the two,—that is, five-twelfths of the whole. So much for the past.

Now, if we turn to the future, we shall find that the cause of this amazing growth, so far from being exhausted or weakened, is acting with increased force, and urging forward the growth of those States with accelerated, instead of decreasing velocity; so much so, that the past changes in the last twenty-seven years will appear as nothing, compared with what will take place in the next twenty-seven, unless some unforeseen occurrence should intervene to retard their progress. If my memory serves me, our population, twenty-seven years ago, was about seven millions; and our annual increase then,—that is, the excess of births over deaths, including emigration,—about two hundred thousand, estimating our growth at *three per cent.* compound. Since then, our population has increased not less than nine millions, making the present, probably, about sixteen; which, on the same data, will make our annual increase at this time but little short of half a million; the greater part of which will find their homes in the new States.

I will not enter into a minute calculation as to the effects of this great increase on the relative weight of the new and old States at the next succeeding census, in 1850. It is sufficient to say, that it will give a decided majority to the former, both in the House of Representatives and in the electoral college, and, of course, in the Government; and thus, in the short space of one generation and a half, the

centre of political power, as between the old and new States, will have passed from the former to the latter.

Now, with these unquestionable results before us, I ask, —not whether it would be wise to continue the old system; no, Sir! a far bolder question, *Will it be practicable?* And if not practicable, *would it be wise to struggle to continue it, till overthrown by the force of unavoidable and irresistible causes?* I ask, What would be the effects of such a struggle? Would it not be to excite, in the first instance, animosity and discord between the old and new States, and, in the end, to overthrow the entire land system, with the certain loss, ultimately, of the public domain? I shall not, on this occasion, attempt a formal discussion of these points. I propose, in order to illustrate, simply to show how vain and dangerous would be the attempt to hold on to the present system, under these great and growing changes, by tracing its operation under a single aspect—its bearing on the Presidential question.

To have a clear conception of this, we must bear in mind, that, after the next census, the new States will have five-twelfths of the electoral college; and, of course, compared with either of the other sections, a controlling voice in the election of a President. He who keeps this in mind, and understands the workings of the human heart and of our system, must see, that in the Presidential *contest* (for such it must ever be), the great point, hereafter, will be to secure their favor; and that this can best be done by favoring their peculiar views and policy in reference to the public lands. Now, one of two things must follow: either all the candidates will enter into this competition, in which case the struggle will be who shall go furthest; and its consequence to give the vote to him who may bid highest. It is easy to see how this would end. The public domain, the noble inheritance of the people of this Union, would be squandered, or rather gambled away, in the contest; and would thus be

made, at the same time, the means of plunder and corruption, and of elevating to power the most profligate and audacious.

But if, instead of all the candidates seeking the favor of the new States, a part should court their interests, and the others that of the old States, the train of events would, indeed, be varied, but the ultimate result would be the same. On this supposition, each of the candidates would resort to means best calculated to secure the section on whose support he might rely. Those looking to the new States would push, to the extreme, the favorite policy of those States in reference to the public lands; while the other would take the opposite extreme in favor of the old States. Now, when we reflect that the new and the old States must necessarily, from their different position and relation to the public lands, entertain very different views of the policy that ought to be pursued in relation to them, in almost every point,—so much so, that the one will consider that but as the demands of justice, which the other will regard as nothing short of open plunder, as we have witnessed in this discussion,—we may form some conception of the violence of the conflict which must ensue in the case supposed. We have had, even in this early stage, and on this very question, some indications of what we may expect. The most violent animosity and hatred would follow, and every man, be his motives ever so pure and patriotic, would be regarded the friend or the enemy of the new or old States, as his opinions favored the policy of the one or the other. The final termination of the conflict would not be doubtful. Whatever turns of fortune might occur, in its progress, the new States must, in the end, prevail. Their relative increase is far more rapid than the old; so much so, that after 1850—that is, after the third Presidential election from the next—they would be left, as I have shown, in undisputed possession of the field. In the mean time, while the struggle is going on, the animosity

would daily increase on both sides. The longer it continued the more bitter it would become, and the more certainly and completely would the present system be overthrown, if, indeed, the Union itself should be strong enough to withstand the shock. Such must inevitably be the fate of the present system, should we have the folly, I might say the madness, to attempt to continue it as it is, so far as the new States are concerned, regardless of the great changes which have already taken place, and the still more mighty in progress.

Having now pointed out the danger, I turn next to the deeply important question of remedy, which demands the most prompt and solemn consideration, both of the Government and the community. The question is, What means shall we adopt to avert the mischief which I have shown to be so rapidly approaching, and which must inevitably soon arrive, if not prevented by some speedy and efficient measure? Already one has been proposed, originally brought forward to relieve a distended treasury of its burden, but which its author (the Senator from Kentucky, Mr. Clay) has renewed on the present occasion, doubtless with the view, in part, at least, to meet the growing disorders of the system. His proposition is to divide the proceeds of the public lands among the States, with the double view, I suppose, to a more equal participation in the advantages of the public domain by the members of the Union, and to preserve the present system by a more vigilant guardianship of the States. I do not now intend to discuss the merits of this measure. My object is simply to state, in general terms, my opinion in relation to it, without entering into the reasons on which it is grounded.

There appear, then, to me, to be great and decisive objections to the measure. The right to adopt it may, in the first place, be fairly questioned. We hold the public domain as a common property or fund, belonging to the States of the Union in their confederated, and not in their

individual character. It was acquired either by purchase, out of common funds belonging to the Union, or by cession from States to the Union, to be held as a fund in common; and I am at a loss to conceive what right we have to make that which belongs to the whole Union as a common fund, the separate fund of each State. It seems to me that it cannot be done without a manifest breach of trust and a violation of the constitution. This is no new opinion, formed for the occasion. It was, on the contrary, formed when its author first introduced the measure; and when he and I thought alike as to the necessity of relieving the treasury of its surplus, in order to avoid the difficulties and the dangers which have since followed. Believing, then, that it would be effectual for that purpose, and more easily adopted than any other, I examined it with an inclination to embrace it as a temporary measure of relief against a pressing evil; but it was impossible for me to bring my mind to assent to the right of adopting it.

But suppose this difficulty surmounted, there are others, which I regard as insurmountable. Among them the fiscal objection is very formidable. The revenue from the lands cannot be spared at present; and if distributed, as proposed by the measure, would necessarily throw the whole expenses of the Government on a single source—*the duties on imports*—and which must be followed by their increase. This would neither be fair nor equal; and to which I, representing in part a portion of the Union, on which the increased burden would mainly fall, cannot assent.

But, formidable as is this, there are others far more so. It would not meet or avert the approaching danger. It would still leave the public lands in the new States, under the operation of the present system, and the subject of violent conflict between them and the old States, with all the calamitous consequences to which I have adverted. Instead of preventing the danger, it would, in fact, hasten and aggra-

vate it. It may be laid down as a maxim, that no measure can avert it, which is not adopted with the approbation and consent of the new States; for the simple reason, that they must soon become the predominant power; when that which was established against their consent, would be certainly overthrown. Such would be the case with the measure under consideration. If adopted, it must not only be without the consent of those States, but with their strenuous opposition, of which we have had the most conclusive evidence on the present occasion. When moved by its author, as an amendment to this bill, it was violently opposed at the threshold from that quarter, and received but a single vote from the new States. It is not necessary to inquire whether this opposition on their part is reasonable, or not; whether it is the result of mere prejudice, or of deliberate conviction that it is hostile to their interests. The fact itself, that there is an almost universal and determined resistance to the measure on their part, right or wrong, is, of itself, sufficient proof that it cannot be relied on to avert the threatening danger. On the contrary, its necessary effect must be to accelerate and aggravate it. Its adoption would, at once, bring the old and new States into violent conflict, in which the former would be arrayed, almost to a man, in determined effort to overthrow the arrangement, or some more hostile measure. Add to this, that the presidential contest would not fail to run into the controversy, and thus redouble the excitement and animosity, with all the fatal consequences which I have shown must follow from blending the two.

Assuming, then, that the scheme is both objectionable and inefficient, the question again occurs, what ought to be done? My mind is made up, after the most serious and deliberate reflection, that there is, and can be, but one remedy: to *cede*—no, that is not the proper, the constitutional word—to *dispose* of the public lands to the States within the limits of which they respectively lie, on such terms and

under such conditions as shall, at the same time, be just and liberal to the new States and safe to the old. We must, in a word, *part with the ownership and administration of the lands lying within the States*, leaving those in the territories, and beyond, under the operation of the present system. *The evil lies in ownership, and administration, and without parting with them no permanent or effectual remedy can be applied.*

But what shall be the terms—what portion of the proceeds of the sale of those lands shall be left to the States, to remunerate them for the expense, trouble, and responsibility of their administration, and what portion shall be paid over to the Government annually as a compensation for the land? I am not prepared to answer this question. Its decision must depend on a careful and minute examination of all the facts and circumstances of the case. But I am decidedly of the opinion that the portion to be left to the new States ought not only to be ample to cover the trouble, expense, and responsibility of management, but very considerably beyond; so as to unite their interests with ours, in order to give stability to the arrangement and insure care and fidelity in the management. Resting my estimate of the compensation on these principles, I have supposed that the new States might pay over annually one-half of the gross proceeds of sales to the Government, and have an ample sum left for their compensation. But this is a mere estimate, without sufficient data; and is, of course, liable to be increased or diminished after a careful calculation founded on facts.

With these suggestions as to the terms, I next proceed to the conditions on which the lands ought to be disposed of. I propose to suggest only the most prominent, without pretending to a full enumeration.

In order to give stability to the arrangement, it will be indispensable that the whole transaction should assume the form of a compact; and for this purpose, that Congress

should pass an act containing the terms and conditions of the transfer; and that each of the new States should pass one, on their part, to be irrevocable, assenting to the same, before it is made. The act of Congress should, of course, determine what part of the proceeds is to be paid annually to the Government, and the time and manner of payment; and also provide for keeping regular books of accounts, to be open to the inspection of the Government; so that the exact state of the account between it and the States, may, at all times, be ascertained by the former.

The act of Congress should also contain all the prospective provisions which may become necessary in the future administration of the lands under the arrangement; and should then provide that the land laws, as modified by the act, and as far as they are applicable to the new state of things, shall remain unchanged, without the consent of Congress. A provision of this kind would be not less essential to the States, than to the Government. Without it, there could be no stability nor uniformity. Without it, the States would, in a short time, enter into a competition to turn the current of immigration, each towards itself, which would commence by a reduction of price, and end by a loss of the lands. But with the provision proposed, the system would retain its uniformity, and become more stable than at present.

To enforce the faithful execution of the compact, the act should also contain a provision that, in the event of the violation of the conditions of cession, all grants thereafter made by the State should be null and void. This would place the compact under the protection of the courts of the Union, and make it the interest of the State and its citizens to observe it. In this connection, the liberal allowance proposed to be made to the States, in order to unite their interests with ours, would be important. The revenue which they would derive from the land would be applied to roads,

canals, and other improvements, that would create a powerful interest in favor of the arrangement; which, with the conditions proposed, and their sense of justice, would insure, I trust, on their part a faithful execution of the compact.

Such, as it appears to me, should be the leading conditions; but, doubtless, there are many others which would be suggested by a full and careful examination of the subject.

This, Mr. President, is the general outline of the measure which I propose as a remedy; and which brings up the important question—Would it accomplish the object intended; that is, would it arrest the growing conflict between the new and the old States? Would it prevent the public domain from being converted into a fund to make presidents, and to be squandered away in the struggle? And, finally, would it substantially, and more effectually than any other measure, secure to the Union the benefit of the public lands lying within the new States? It is the conviction that it is better calculated to secure these important results, than any other measure that can be devised, which has induced me to present it for consideration; and it is on that issue, exclusively, I intend to rest its fate. All I ask is a calm and impartial investigation, confidently believing it will bear the test, and willing to abide the result. Without attempting to enter on such an investigation now—for which I have not the necessary information, and, if I had, it would not suit the occasion—I propose to limit myself to a few very brief remarks in support of my conviction.

That a measure such as I have suggested, if it should be adopted with the hearty consent of the new States, would arrest the growing conflict between them and the old, and take the public lands out of the vortex of the presidential contest, must be obvious on a little reflection. It would remove the cause of conflict,—the only effectual mode of preventing the threatened danger. Transfer the lands, and the

administration of them, on just and liberal terms, to the States, and close our land offices within their limits, and you will, at once, place the States beyond the reach of the action of the Government, and the influence of Executive control, and would thereby leave both the new and old, as far as the land question is concerned, free from all improper bias in the election of the Chief Magistrate. The only point of conflict that could possibly remain between them in reference to the lands, would be as to the conditions of the cession ; but it may be easily shown, that if the terms should be liberal and satisfactory, in the first instance, to the new States, as I have proposed, they would neither have the disposition nor the interest to disturb the compact ; or if they should, the hazard of losing the lands in consequence would be far less than it would be should the present system be continued. But there may be some who may admit this to be true, and yet object that the advantages which I anticipate from the measure, would be purchased, on the part of the old States, at too great a sacrifice. It would be premature to undertake to answer this objection, before it is ascertained what portion of the proceeds should be left to the States, and what paid over to the Government ; and this cannot be done till after a laborious investigation, as has been stated. All I maintain at present is, that the portion allotted to the States should be not only just and liberal, but such as would interest them in preserving the arrangement. Thus far it would be obviously the interest of both parties, as has been shown. In the mean time, I have suggested an equal division of the proceeds, under the belief that it would be satisfactory to the new States, and probably not far from the division which a rigid investigation would establish.

But of one thing I feel assured, that, when the subject is fully examined, it will be ascertained that an apportionment of the proceeds may be fixed on, which will give to the Government a sum per acre as large, or not much less, on all the

lands which might hereafter be disposed of, as it has received for what has been disposed of since the present price was fixed; and which would leave, at the same time, to the States a liberal and satisfactory allowance. If this should prove to be the fact, the interests of all parties, even in a pecuniary point of view, would be reconciled. But that would be taking too narrow a view of this important subject. To determine correctly the true interests of the parties in this arrangement, we must raise our eyes above pecuniary considerations, to the far more interesting view—the political bearing of the measure. Thus viewed, the gain to both, and to the whole Union, would be incalculable. The new States would gain the ownership and administration of their whole domain—a gain not more essential to their own independence, than to the convenience of their citizens, who would thereby have their claims, connected with the public lands, adjusted by their own legislatures, instead of being dragged to a great distance from home to await the tardy and uncertain action of Congress. But their greatest gain would be, that they would be elevated to an equality with the other States in all respects, and exempted from the controlling influence of the Government arising from a widely expanded system of land-offices.

To the Union the gain would be not less important. Congress would be relieved from an immense and increasing mass of business, which now consumes at least one-third of its time, and be left free to turn its attention to other subjects of deep interest, which it is now compelled to neglect. The sessions would be greatly shortened—a matter of importance, not only in a pecuniary, but still more in a political point of view. But these, though important, are but minor advantages. There are others immeasurably greater. It would close our land-offices in the new States, and, with them, the door to the vast patronage and influence which they place in the hands of the Executive. Who can esti-

mate this advantage? Who is there, that has a particle of patriotism or love of republican institutions, who would not rejoice at the reduction of such immense patronage, made, not only without injury, but with advantage, to the public? When we add to this, that it would remove all cause of conflict between the old and new States; that it would withdraw from the Presidential contest the public lands—that prolific source of corruption in the hands of the profligate—and, finally, that it would save our vast and noble domain itself from being squandered in the struggle, it is hardly in the power of calculation to estimate the advantages that would result.

Having now suggested what I believe to be the proper policy to be pursued in relation to the public lands within the new States, and hastily traced the advantages of the measure I have suggested for consideration, the next question is, Have we the right to dispose of the lands in the manner proposed? I would not have supposed that there could have been a doubt on this point, had not the Senator from Massachusetts (Mr. Webster) raised it on this, as well as on a former occasion. The constitution gives to Congress, expressly, the right to dispose of the public lands; and why may they not dispose of them to the States as well as to individuals? I can see no reason, and never have heard one assigned. We are in the daily habit of making grants to the States for public purposes; and if we may grant, may we not also sell or dispose of them, as I have proposed? The lands belong to the States, in their confederate character, as has been stated; and Congress is the trustee to dispose of them for the common benefit. They are bound, in the fulfilment of the trust, to dispose of them to the best advantage; and if the disposition proposed be the best for all concerned, Congress has not only the right to make it, but would be bound by the trust so to do.

Entertaining these views, it may be asked why I have not brought forward the measure this session? My an-

swer is, there is not time, at the present short session, to digest and carry through a measure of so much importance, and involving so many and such conflicting interests. But I pledge myself, if present at the next session, to introduce it at an early day, and to use my best efforts to press it to a decision. If I can prevent it, no other measure relating to the public lands shall take precedence of it.

I have now presented my views as to the policy which ought to be adopted in reference to the public lands within the new States; and it only remains, in conclusion, to assign my reason for voting against the engrossment of this bill.

Believing that nothing short of a radical change of policy, such as that proposed, can arrest the evils apprehended from the present system, I am of the opinion, that till some permanent remedy can be applied, the proper course is to vote against all partial and temporary expedients like the present; and I shall, in conformity to that opinion, give my vote against this bill. I believe it to be the course, not only the best calculated to insure, in the end, the application of a permanent and efficient remedy, but also to prevent, in the intermediate period, the mischiefs naturally resulting from the present system. But, in addition to these general reasons, there are others against this particular measure, sufficient to induce me to vote against it. Passing others by, I shall only notice one.

This bill is pressed on the Senate, on the ground, among other reasons, that it is a *financial* measure. It is stated that the treasury is deficit, and that one of the effects of the reduction of the price of the public lands would be, a present increase of the revenue from that source. I am not prepared to say whether such would be the fact, not having examined the point sufficiently to form an opinion; but if it should be so, it would to me constitute an objection, instead of a recommendation. It is admitted that the increase of the revenue would be temporary, and be followed in a short

time by a corresponding reduction. Now, if I am not mistaken, the income of this and the ensuing year will, without further addition to the revenue, be sufficient to meet the expenditures, with due economy, and timely and judicious retrenchment. The pinch will be in the two subsequent years —1841 and 1842—when six-tenths of the entire reduction under the Compromise Act will take place. The difficulty will be in passing through those two years; and this bill considered as a measure of revenue, instead of passing now, ought to be postponed until then. Its passage at this time would but increase the difficulty two years hence. Whatever it might add to the income of this and the next year, would serve but to increase their expenditures to the same extent. Experience has taught us that our expenditures increase with our income, and that, if there be money in the treasury, it will be spent, regardless of consequences. The result would be that, instead of aiding the Government to meet the fiscal crisis of 1841 and 1842, by increasing its income then, it would compel it to meet it under the great disadvantage of increased expenditures with diminished means. Under this belief, if there were no other objections, I would feel myself compelled to vote against the bill.

SPEECH

On the Motion of Mr. Benton for leave to introduce a Bill to repeal the Salt Duty and the Fishing Bounties; delivered in the Senate, January 30th, 1839.

Mr. Calhoun said, he felt perfectly indifferent as to the fate of this motion. It was impossible for the proposed measure to pass at this time; and the only question was,—

whether it should be voted down at this incipient stage, or at some subsequent one, after it had assumed the form of a bill. The only difference was this: if it was rejected now, the consumption of the time of the Senate would be saved; but, on the contrary, if leave was granted, two or three days more would be spent in discussion, and then it would be rejected by a large majority. There were many, at all times, who, from courtesy or other motives, would vote for leave to introduce, but who were, at the same time, opposed to the measure. He had intended at one time to vote for leave himself, but as the Senator from Maine (Mr. Williams), who had taken the lead against the measure, had indicated his intention to vote against the motion, he would follow him as his leader on this occasion.

He had asserted that the measure could not succeed, on the grounds that the objections to any action on the subject, at this time, were overwhelming. If there were no other, it was all-sufficient that the duty on salt, under the Compromise Act, was going off as fast as the wants of the treasury and the interests of commerce would permit. It was already reduced to about six or seven cents the bushel, and would be reduced, during the next three years, to about two cents. In the mean time, the treasury would need all its means to meet its engagements, and the interests of commerce would be injuriously affected, by making the reduction more rapid than it will be. All changes in the rates of duties ought to be made gradually, even when they lightened the burdens.

Mr. C. said, that he was far from thinking that the time already spent in the discussion of this motion was lost. It had made many developments important to be known by those whom he represented,—some of which were highly favorable to their future prosperity and quiet,—and others of an opposite character. Of the former, he heard with pleasure the very sensible and manly remarks of the Senator from Maine, nearest to him (Mr. Williams). He took the true

ground. He asked no protection for the great interests of navigation, in which his constituents were so vitally interested, and, he would add, the whole Union. All he wanted was fair play. Take off your protection on iron, on hemp, and salt beef and pork, and other oppressive duties, which bear down our navigation, and you may take off your bounties—was his manly language to the mover of this resolution; and he clearly showed that the great interests which he defended, would be a gainer by the change. Mr. C. said, I will uphold him in a proposition so reasonable and just; and, for one, will not consent that the bounties shall be repealed,—whatever my opinions, in the abstract, as to their propriety,—till the burden is removed. The same principle by which he was impelled to resist oppression, impelled him, with equal force, to uphold what is just and reasonable; and we had here a striking illustration of the great impropriety of acting on the tariff, by separate and detached items, as is proposed on this occasion. It is an almost inevitable consequence of such a course, that, while one interest is benefited, another is oppressed. On this account, he was averse to touching the subject until the whole system of duties was brought regularly under review,—as it must be at the next, or succeeding session, under the Compromise Act. In the mean time, he considered the great navigating interests of the country, which were so essential to the prosperity and defence of all others, among the most depressed at present. He was startled, in looking over an able document from the Chairman of the Committee of Ways and Means, of the other House, just laid on our tables, at the rapid encroachment of foreign navigation on our own. In 1826, the domestic stood to the foreign tonnage, as 942,206 to 105,654; and in 1837 (the short space of ten or eleven years), it stood as 1,299,720 to 765,703. At this rate, the foreign will soon exceed our own tonnage in our own ports. This relative falling off claimed immediate and serious investigation, and the application of

effective remedy. Without pretending to any particular knowledge of the subject, he did not doubt that one of the most powerful causes, in producing this unfavorable result, was the expanded,—no, that was not strong enough,—the bloated state of our currency; which, by raising prices far beyond what they ought to be, was weighing so heavily on the prostrate energies of the country,—and especially on all those branches of industry which, like navigation, had to compete abroad with nations having a less expanded and a sounder currency. This, he believed to be the main cause; and, next to it, he placed the oppressive protective duties,—now fortunately going off under the Compromise Act,—which so greatly enhanced the costs of ship building, the rigging and supplying vessels, as well as the wages of seamen. Against this oppressive load our foreign navigation had no compensating advantage. It had to meet the competition of other nations on the broad ocean, weighed down with the enormous duties on iron, hemp, cordage, and almost every other article that entered into the construction, the rigging and supply of vessels,—without a particle of protection to lighten the burden,—just as our great staple interests—cotton, rice and tobacco—had to meet the competition of all the world, in foreign markets, with the like burden, without protection, or the probability of protection. And for what was this oppressive load laid on these, the great sources of national opulence and prosperity? To protect certain branches of industry—which were dignified with the name of *home industry*—against foreign competition,—not on the broad ocean, not abroad in foreign markets, but at home, at their own doors. We who had to go abroad and contend with all the world, were weighed down with an oppressive load, that other branches should have a monopoly at home! And yet there are those,—if we may judge from what we have heard during this discussion,—who not only denounce the act under the operations of which this load is going off, but are ready

to renew the protective system with all its injustice and oppression.

But, against the voice of such, he (Mr. C.) was happy to hear that of the Senator from Pennsylvania furthest from him (Mr. Buchanan). He took high and correct ground. He opposed this motion because it violated the compromise. The Senator has done no more than justice to that measure. It terminated, honestly and fairly, without the sacrifice of any interest, one of the most dangerous controversies that ever disturbed the Union, or endangered its existence;—not the danger of dismemberment,—as, we learn from the Senator, was anticipated abroad. No: the danger lay in a different direction. Dismemberment is not the only mode in which our Union may be destroyed. It is a *Federal Union*—an Union of *Sovereign States;* and can be as effectually and much more easily destroyed by *consolidation* than by *dismemberment.* He who knows any thing of the history of our race, and the workings of the human breast, best understands the great and almost insuperable difficulties in the way of dissolution. There is scarcely an instance on record of any people, speaking the same language, and having the same government and laws, that have ever dissolved their political connections through internal causes or struggles. He excluded, of course, colonies throwing off the control of the parent country, or a partition of kingdoms by monarchs. The constant struggle is to enlarge, and not to divide; and there neither is, nor ever has been, the least danger that our Union would terminate in dissolution. But the danger on the opposite side is imminent, as was foreseen, from the first, by our wisest statesmen and most ardent patriots; and never was this danger more menacing than when the gallant and patriotic State he represented, gave the blow that led to the compromise. That blow was not to destroy, but to save the Union;—not for disunion, but against consolidation;—and most effectual did it prove. It brought the protective system

to the ground, never to rise again;—that system which has brought such innumerable disasters on the country, and which had well-nigh terminated our Union in consolidation, and, with this, the establishment of despotic power. At its very basis lay the assumption of a power, which, if it had been established, would have made this a government of unlimited power, and, of course, a consolidated government. It assumed that duties and taxes might be laid, not only for revenue,—for which purpose only the power was granted,—but that they might be perverted to the purpose of encouraging one pursuit, and discouraging another; that is, that the revenue power might be converted into a penal and stipendiary power—the power of rewarding one branch of industry, and of punishing another. Who does not see that the possession of such a power, on the part of this Government, would give it unlimited control over all the pursuits and business of life, and the entire industry and property of the country?

Acting on this false and dangerous assumption, the protective system had been introduced, and pushed to the most extravagant extent, under the act of 1828. By its baneful influence, the great staple interest of the South, and that of the navigation of the East, were paralyzed, while certain others were made to flourish. To effect this, millions and millions were taken from the people and poured into the treasury—where it constituted a vast sum for extravagance and unconstitutional expenditures—corrupting the community, and extending the patronage and power of the Government beyond the limits consistent with our free institutions. This vast patronage, concentrated in the hands of the Executive, had rendered that department all-powerful; and was thereby rapidly leading the way to the consolidation, not only of the powers of the Legislative, but the whole powers of the entire Government, in that department. It was against such a system, producing such effects, that the blow

was struck—bravely and magnanimously struck—that led to the Compromise Act, which this motion is intended to disturb. It was successful. It was directed at the root of the evil. It has stopped the excessive flow into the treasury; and, followed up by the Deposit Act of 1836, it has emptied it of its corrupting mass. He saw clearly, that reform, with an overflowing treasury, was impossible, especially when that overflow consisted of bank-notes. It was impossible to arrest, waste, or limit patronage, until the means which sustained them was exhausted. This great object is now effected; and retrenchment, economy, and reform must follow, or woe to those in power! And when these shall gain the ascendency, then will the blow, which was dealt against consolidation, and for the Union and our free institutions, have effected the great and patriotic purpose intended by those who directed it, and of whom I shall ever be proud of having been one. The protective system, which has been the cause of all the mischief, has fallen prostrate before it in the dust. He who undertakes to revive its putrid carcass, will perish in the attempt.

He (Mr. C.) was happy to hear the Senator from Pennsylvania (Mr. Buchanan) avow his intention to carry out the Compromise Act, to its full extent; and that he was prepared, on a readjustment of the duties under its provisions, to restrict them to revenue simply, as is provided by the act, limiting manufactures to such incidental protection as was consistent with revenue; but in no case exceeding twenty per cent., to which the highest duties would be reduced in 1842. This was going back to the original principle which governed in the first imposition of duties on imports; and he was most happy to hear the avowal, coming from the quarter it did, and in which, he trusted, the Senator uttered the voice of the powerful State he represented. There were but two principles on which their readjustment could take place, unless the Government should have the madness to go back to

the protective policy, which he did not apprehend. The one was that suggested by the Senator, and the other, that of bringing the whole duties to one uniform low average, ad valorem, without any discrimination, for or against any duty. It would be too soon to discuss the relative merits of the two at this time; and, in fact, he had not made up his mind on the subject. A review must soon take place; it cannot be postponed beyond one or two years, when it will be the proper time to examine their respective merits. In the meanwhile, he was prepared to say, that he would be ready to go into it with a liberal spirit, and a disposition to do equal and exact justice to all, and to adopt that, which, after a full examination, shall appear to be the best calculated to promote the interest and harmony of the whole.

SPEECH

On the Bill to prevent the Interference of certain Federal Officers in Elections, delivered in the Senate. February 22d, 1839.

Mr. Calhoun said: I belong, Mr. President, to that political school which regards with a jealous eye the patronage of this Government, and believes that the less its patronage the better, consistently with the objects for which the Government was instituted. Thus thinking, I have made no political move of any importance, for the last twelve or thirteen years, which had not for its object, directly or indirectly, the reduction of patronage. But, notwithstanding this, I cannot bring my mind to support this bill, decidedly as I approve of its object. Among other difficulties, there is a constitutional objection, which I cannot surmount, and

which I shall, without further remark, proceed to state and consider.

This bill proposes to inflict the penalty of dismission on a large class of the officers of this Government, who shall electioneer, or attempt to control or influence the election of public functionaries either of the General or State Governments, without distinguishing between their official and individual character, as citizens; and the question is—Has Congress the constitutional right to pass such a law? This, again, involves a prior and still more general question—Has this Government the authority to interfere with the electoral rights of the citizens of the States?

In considering this general question, I shall assume, in the first place, what none will deny, that it belongs to the States separately to determine who shall, and who shall not, exercise the right of suffrage; and, in the second, that it belongs to them, in like manner, to regulate that right; that is, to pass all laws that may be necessary to secure its free exercise, on the one hand, and to prevent its abuse on the other. I next advance the proposition, which no one in the least conversant with our institutions, or familiar with the constitution, will venture to question; that, so far *as citizens are concerned, this right belongs solely to the States, to the entire exclusion of the General Government*, which can in no wise touch or interfere with it, without transcending the limits of the constitution. Thus far there can be no difference of opinion.

But a citizen may be also an officer of this Government, which brings up the question—Has it the right to make it penal for him to use his official power to control or influence elections? Can it, for instance, make it penal in a collector, or other officer, who holds a bond, in his official character, on a citizen, to threaten to enforce it, if he should refuse to vote for his favorite candidate? I regard this proposition as not less clear than the preceding. Whenever the Govern-

ment invests an individual with power, which may be used to the injury of others, or the public, it is manifest that it not only has the right, but that it is in duty bound to prevent its abuse, as far as practicable. But it must be borne in mind, that a citizen does not cease to be one in becoming a Federal officer. This Government must, accordingly, take special care, in subjecting him to penalties, for the abuse of his official powers, that it does not interfere in any wise with his private rights as a citizen, which are, as has been stated, under the exclusive control of the States. But no such care is taken either in this bill or the substitute proposed by its author. Neither makes any distinction whatever between the *official and private acts of the officer as a citizen.* The broadest and most comprehensive terms are used, comprehending and subjecting all acts without discrimination as to character, to the proposed penalty. Under its provisions, if an officer should express an opinion of any candidate, say of a President, who was a candidate for re-election, whether favorable or unfavorable, or whisper an opinion relating to his administration, whether good or bad, he would subject himself to the penalty of this bill, as certainly as if he had brought the whole of his official power to bear directly on the freedom of election. That a bill, containing such broad and indiscriminate provisions, transcends the powers of Congress, and violates in the officer the electoral rights of the citizen, held under the authority of his State, and guaranteed by the provision of the constitution—which secures the freedom of speech to all—is too clear, after what has been said, to require additional illustration. It cannot pass without enlarging the powers of the Government by the abridgment of the rights of the citizen.

But, it may be replied, that there are instances where the Government has subjected its officers to penalties for acts of a private character, over which the constitution has

given it no control. Such, undoubtedly, is the fact—and its right to do so, in the instances referred to in the discussion, cannot be denied; but all such cases are distinguished from that under consideration by lines too broad to be mistaken. In all of them, the acts prohibited were, in the first place, such as were incompatible with the official duties enjoined; as in the case of the prohibition of commissaries to purchase or deal in articles similar to those which it is made their official duty to purchase, in order to prevent frauds on the public. And in the next, the acts prohibited involved only civil rights, belonging to the officer as an individual, and not political rights, which belong to him as a citizen. The former he may yield at pleasure, without discredit or disgrace—but the latter he cannot surrender without debasing himself, and giving up a sacred trust vested in him by the State of which he is a member, for the common good; nor can this Government demand its surrender, without transcending its powers, and infringing the rights of the States and their citizens.

It may also be said, that, in most cases, it would be impossible to distinguish between the official and the political acts of the officer, so as to subject the former to penal restraints, without interfering with the latter; and that it would, in practice, render ineffective the admitted right of the Government to punish its officers for the abuse of their official powers. It may be so; but little or no evil can result. Whatever defect of right this Government may labor under, in such cases, is amply made up by the plenary power of the States, which have an unlimited control over the electoral rights of its citizens, whether officers of this Government or not. To them the subject may be safely confided. It is they who are particularly interested in seeing that a right so sacred shall not be abused, nor the freedom of election impaired. We must not forget that the States and the people of the States are our constituents and supe-

riors, and we but their agents; and that, if the right in question be abused, or the freedom of election impaired, it is they, and not we, who must mainly suffer, and who, of course, are the best judges of the evil and the remedy. If the policy of the States demand it, they may impose whatever restraint they please on the federal officers within their respective limits, in order to guard against their control or influence in elections; and, if it be necessary, may divest them entirely of the right of suffrage. To those who are so much more interested, and competent to judge and act on this subject than we are, I am for leaving the decision as to what ought to be done, and the application of the remedy. Entertaining these views, I am forced to the conclusion that this bill is unconstitutional; and if there were no other reason to oppose its passage, would be compelled to vote against it.

But there are others sufficiently decisive to compel me to withhold my support, were it possible to remove the constitutional objection. So far from restricting the patronage of the President, should the bill become a law, it would, if I mistake not, greatly increase his influence. He has now the almost unlimited power of removing the officers of this Government—a power the abuse of which has been the subject of much and, in my opinion, of just complaint on the part of the Chamber to which the mover of this bill belongs, on the ground that it was calculated to increase unduly the power and influence of that department of the Government. Now what is the remedy this bill proposes for that evil? To put restrictions on the removing power? The very reverse. To make it *the duty*, as it is now the right, of the President *to remove;* and in discharging this high duty he is made the sole judge, without limitation or appeal. The fate of the accused would be exclusively in his hand, whether charged with the offence of opposing or supporting his administration. Can any one, the least conversant with party morals, or the

working of the human heart, doubt how the law would be executed? Is it not certain, that it would be most rigidly enforced against all officers who should venture to oppose him, either in the Federal or State Governments, with a corresponding indulgence and lenity towards those who support him? A single view, without prolonging the discussion, will decide. Should there be a President of such exalted virtue and patriotism as to make no discrimination between friend and foe, the law would be perfectly useless; but if not, it would be made the pretext for the indiscriminate removal of all, who may refuse to become his active and devoted partisans; and it would thus prove either *useless*, or *worse than useless*.

With the object which the mover of the bill has in view, it seems to me, he ought to take the very opposite course—and instead of making it the duty of the President to remove, he ought to impose restrictions on the power of removal, or divest him entirely of it. Place the office holders, with their yearly salaries, beyond the reach of the Executive power, and they would in a short time be as mute and inactive as this bill proposes to make them. Their voice, I promise, would then be scarcely raised at elections, or their persons be found at the polls.

But suppose the immediate object of the bill accomplished, and the office holders rendered perfectly silent and passive, it might even then be doubted whether it would cause any diminution in the influence of patronage over elections. It would, indeed, greatly reduce the influence of the office holders. They would become the most insignificant portion of the community, as far as elections were concerned. But just in the same proportion as they might sink, the no less formidable corps of office seekers would rise in importance. The struggle for power between the *ins* and the *outs* would not abate in the least, in violence or intensity, by the silence or inactivity of the office holders—as the amount of patronage,

the stake contended for, would remain undiminished. Both sides, those in and those out of power, would turn from the passive and silent body of incumbents, and court the favor of the active corps, that panted to supplant them; and the result would be—an annual sweep of the former, after every election, to make room to reward the latter,—and this on whichever side the scale of victory might turn. The consequence would be rotation with a vengeance. The wheel would turn round with such velocity that any thing like a stable system of policy would be impossible. Each temporary occupant, that might be thrown into office by the whirl, would seize the moment to make the most of his good fortune, before he might be displaced by his successor, and a system (if such it might be called) would follow, not less corrupting than unstable.

With these decisive objections, I cannot give my support to the bill; but I wish it to be distinctly understood, that in withholding it, I neither retract nor modify any sentiment I have expressed in relation to the patronage of this Government. I have looked over, since the commencement of this discussion, the report I made as chairman of a select committee on the subject in 1835, and which has been so frequently referred to in debate by those on the opposite side of the Chamber, and I find nothing which I would omit, if I had now to draw it, but much, which time and reflection would induce me to add, to strengthen the grounds I then assumed. There is not a sentence in it incompatible with the views I have presented on the present occasion.

I might here, Mr. President, terminate my remarks, as far as this bill is concerned; but as the general question of patronage is at all times one of importance under our system of Government, and especially so, in my opinion, at the present juncture, I trust that I shall be indulged in offering my opinion somewhat more at large in reference to it.

If it be desirable to reduce the patronage of the Govern-

ment (and I hold it to be eminently so), we must strike at the source—the root, and not the branches. It is the only way that will not, in the end, prove fallacious. The main sources of patronage may be found in the powers, the revenue, and the expenditures of the Government; *and the first and necessary step towards its reduction, is to restrict the powers of this Government within the rigid limits prescribed by the constitution.* Every extension of its powers beyond, would bring within its control subjects never intended to be placed there, followed by increased patronage, and augmented revenue and expenditure.

We must, in the next place, take care not to call the acknowledged powers of the Government into action beyond the limits which the common interest may render necessary, nor pervert into means of doing, what it was never intended by the constitution we should have the right to do. Of all the sources of power and influence, perversion of the powers of the Government has proved, in practice, the most fruitful and dangerous—of which our political history furnishes many examples, especially in reference to the money power, as will appear in the course of my remarks.

After restricting the powers of the Government within proper limits, the next important step would be to bring down the income and expenditures to the smallest practicable amount. It is a primary maxim under our system, to collect no more money than is necessary to the economical and constitutional wants of the Government. We have, in fact, no right to collect a cent more. Nothing can tend more powerfully to corrupt public and private morals, or to increase the patronage of the Government, than an excessive or surplus revenue, as recent and sad experience has abundantly proved. Nor is it less important to restrict the expenditures within the income. It is, in fact, indispensable to a restricted revenue, as the increase of the former must, in the end, lead to an increase of the latter. Nor

must an exact administration, and a rigid accountability in every department of the Government, be neglected. It is among the most efficient means of keeping down patronage and corruption, as well as the revenues and expenditures, just as the opposite is among the most prolific sources of both.

It is thus, and thus only, that we can reduce effectually the patronage of the Government, to the least amount consistent with the discharge of the few, but important duties, with which it is charged,—and render it, what the constitution intended it should be, a cheap and simple Government, instituted by the States, for their mutual security, and the more perfect protection of their liberty and tranquillity. It is the way pointed out by Jefferson and his associates of the Virginia school,—which has ever been distinguished for its jealous opposition to patronage, as the bane of our political system; as is so powerfully illustrated in the immortal document so frequently referred to in this discussion—the report to the Virginia Legislature, on the alien and sedition law, in the year 1799.

But there is, and ever has been, from the first, another and opposing school, that regarded patronage with a very different eye, not as a bane, but as an essential ingredient, without which the Government would be impracticable; and whose leading policy is, to enlist in its favor the more powerful classes of society, through their interest, as indispensable to its support. If we cannot take lessons from this school, on the question of reduction of patronage, we may at least learn, what is of vast importance to be known,—how and by what means this school has reared up a system, which has added so vastly to the power and patronage of the Government, beyond what was contemplated by its framers, as to alarm its wisest and best friends for its fate. With the view of furnishing this information, so intimately connected with the object of these remarks, I propose to give a

very brief and rapid narrative of the rise and progress of the system.

At the head of this school stands the name of Hamilton, than which there is none more distinguished in our political history. He is the perfect type and impersonation of the national or Federal school (I use party names with reluctance, and only for the sake of brevity), as Jefferson is of the State Rights Republican school. They were both men of eminent talent, ardent patriotism, great boldness, and comprehensive and systematic understandings. They were both men who fixed on a single object far ahead, and converged all their powers towards its accomplishment. The difference between them is, that Jefferson had more genius, Hamilton more abilities; the former leaned more to the side of liberty, and his great rival more to that of power. They both have impressed themselves deeply on the movements of the Government—but, as yet, Hamilton far more so than Jefferson, though the impression of the latter is destined in the end, as I trust, to prove the more durable of the two.

It has been the good fortune of the school of which Mr. Jefferson is the head, to embody their principles and doctrines in written documents (the report referred to, and the Virginia and Kentucky resolutions), which are the acknowledged creed of the party, and may at all times be referred to, in order to ascertain what they are in fact. The opposite school has left no such written and acknowledged creed, but the declaration and acts of its great leader leave little doubt as to either its principles or doctrines. In tracing them, a narrative of his life and acts need not be given. It will suffice to say, that he entered early in life into the army of the Revolution, and became a member of the military family of Washington, whose confidence he gained and retained to the last. He next appeared in the convention which framed the constitution, where, with his usual bold-

ness, he advocated a President and Senate for life, and the appointment, by this Government, of the governors of the States, with a veto on State laws. These bold measures failing, he retired from the convention, it is said, in disgust; but afterwards, on more mature reflection, became the zealous and able advocate of the adoption of the constitution. He saw, as he thought, in a scheme of government, which conferred the unlimited power of taxing and declaring war, the almost unbounded source of power, in resolute and able hands; hence his declaration, that though the Government was weak in its organization, it would, when put in action, find the means of supporting itself; a profound reflection, proving that he clearly saw how to make it, in practice, what his movements in the convention had failed to accomplish in its organization. Nor has he left it in doubt, as to what were the means on which he relied to effect his object. We all recollect the famous assertion of the elder Adams, that the "British constitution," restored to its original principles, and freed from corruption, was the wisest and best ever formed by man: and Hamilton's reply, that the British constitution, freed from corruption, would be impracticable, but, with its corruption, was the best that ever existed. To realize what was intended by this great man, it must be understood, that he meant not corruption in its usual sense of bribery. He was too able and patriotic to resort to such means, or to the petty policy this bill is intended to prevent. Either of these modes of operation was on too small a scale for him. Like all great and comprehensive minds, he acted on masses, without much regard to individuals. He meant by corruption, something far more powerful and comprehensive; that policy which systematically favored the great and powerful classes of society, with the view of binding them, through their interest, to the support of the Government. This was the single object of his policy, and to which he strictly and resolutely adhered, throughout his career; but which, whe-

ther suited or not to the British system of government is, as time has shown, uncongenial and dangerous to ours.

After the constitution was adopted, he was placed at the head of the Treasury Department, a position which gave full scope to his abilities, and placed ample means at his disposal to rear up the system he meditated. Well and skilfully did he use them. His first measure was the adoption of the funding system, on the British model; and on this the two schools, which have ever since, under one form or another, divided the country, and ever will divide it, as long as the Government endures, came into conflict. They were both in favor of keeping the public faith, but differed as to the mode of assuming the public debt, and the amount that ought to be assumed. The policy of Hamilton prevailed. The amount assumed was about $80,000,000, a vast sum for a country so impoverished, and with a population so inconsiderable as we then had. The creation of the system, and the assumption of so large a debt, gave a decided and powerful impulse to the Government, in the direction in which it has since continued to move, almost constantly.

This was followed by a measure adopted on his own responsibility, and in the face of law; but which, though at the time it attracted little attention or opposition, has proved the most powerful of all the means employed in rearing up and maintaining his favorite system. I refer to the treasury order directing the receipt of bank-notes in the dues of the Government, and which was the first link of that unconstitutional and unholy alliance between this Government and the banks, that has been followed by such disastrous consequences. I have, Mr. President, been accused of extravagance, in asserting that this unholy connection with the paper system was the great and primary cause of almost every departure from the principles of the constitution, and of the dangers to which the Government has been exposed. I am happy to have it in my power to show, that I do not

stand alone in this opinion. Our attention has lately been attracted, by one of the journals of this city, to a pamphlet containing the same sentiment, published as far back as 1794; the author of which was one of the profoundest and purest statesmen to whom our country has ever given birth, but who has not been distinguished in proportion to his eminent talent and ardent patriotism. In confirmation of what I assert, I will thank the Senator from North Carolina near me (Mr. Strange) to read a paragraph taken from the pamphlet, which contains expressions as strong as any I have ever used in reference to the point in question.

[Mr. Strange read as follows:

"Funding and banking systems are indissolubly connected with every commercial and political question, by an interest generally at enmity with the common good. In the great cases of peace and war, of fleets and armies, and of taxation and navigation, their cries will for ever resound throughout the continent. Whereas the undue bias of public officers is bounded by known salaries, and persons not freeholders are hardly, if at all, distinguishable from the national interest. One observation is adduced in proof of this doctrine. Paper fraud, knowing the restiveness of liberty when oppressed, *is under an impulse to strengthen itself by alliances with legislative corruption, with military force, and with similar foreign systems.* War with Britain can be turned by it to great account. In case of victory, a military apparatus, united to it by large arrears, and an aversion to being disbanded, will be on hand. In case of defeat, paper will constitute an engine of Government analogous to the English system. Can republicanism safely intrust a legislative paper junto with the management of such a war? If it does, no prophetic spirit is necessary to foretell that paper will be heaped upon liberty, from the same design with which mountains were heaped upon the giants by the dissolute junto of Olympus."]

The next movement he made was the boldest of the whole series. The union of the Government with the paper system was not yet complete. A central control was wanting, in order to give to it unity of action, and a full development of its power and influence. This he sought in a National Bank, with a capital of $10,000,000, to be com-

posed principally of the stock held by the public creditors; thus binding more strongly to the Government that already powerful class, by giving them, through its agency, increased profit, and a decided control over the currency, exchanges, and the business transactions of the country. On the question of chartering the Bank, the great battle was fought between the two schools. The contest was long and obstinate, but victory ultimately declared in favor of the national federal school.

The leader of that school was not content with these great achievements. His bold and ardent mind was not of a temper to stop short of the end at which he aimed. His next movement was to seize on the money power; and he put forth able reports, in which he asserted the broad principle, that Congress was under no other constitutional restriction in the use of the public money, but the *general welfare;* and that it might be appropriated to any purpose whatever, believed to be calculated to promote the general interest, and as freely to the objects not enumerated, as those that were specified in the constitution. To this he added another, and perhaps more dangerous assumption of power; that the taxing power, which was granted expressly to raise revenue, might be used as a protective power for the encouragement of manufactures, or any other branch of industry which Congress might choose to foster; and thus it was, in fact, perverted from a revenue to a penal power, through which the entire capital and industry of the Union might be controlled. Congress was not prepared, at that early stage, to follow so bold a lead; but the seed was sown by a skilful hand, to sprout when the proper season arrived.

When he retired from office, no controlling mind was left to perfect the system which he had commenced with such consummate skill and success; and shortly after, under the administration of the elder Adams, the Alien and Sedition Acts. and the quasi war with France, as it was called, fol-

lowed the violent and precipitate measures of less sagacious and powerful minds, and which, in their reaction, expelled their authors from power, and raised Mr. Jefferson to the Presidency.

He came in as a reformer; but, with the most ardent desire and the highest capacity to effect a reformation, he could do little to change the direction which his rival had impressed, at the outset, on the political machine. Economy, indeed, was introduced, and the expenditures reduced; but the ligatures which united the Government with the paper system were too strong to be sundered. The funded debt, though greatly reduced by him, could not be extinguished. The charter of the United States Bank had still half its term to run, and the use of banks and bank-notes in the fiscal transactions of the Government had taken too strong a hold to be superseded at once. In the mean time, the agitation caused by the gigantic conflict between France and England reached our distant and peaceful shores, and the administration was almost exclusively occupied in efforts to prevent aggressions on our rights, and preserve our neutrality. To effect this, every expedient was attempted—negotiation, embargo, non-importation, and non-intercourse—but in vain. War followed, and with it all hopes of carrying out the reform contemplated by Jefferson when he came into power failed.

When peace arrived, the country was deeply in debt. Capital and industry had taken new directions in consequence of the long interruption of our foreign commerce, and the public attention was completely diverted from the questions which had brought into conflict the two great political schools, and which had so long divided the country.

The season had now arrived when the seed which had been so skilfully sowed by Hamilton, as has been stated, began to germinate, and soon shot forth with the most vigorous growth. Duties came to be imposed without regard

to revenue, and money appropriated without reference to the granted powers. Tariff followed tariff in rapid succession, carrying in their train a profusion of expenditures on harbors, roads, canals, pensions, and a host of others, comprehending objects of almost every description. In such rapid succession did the protective duties follow, that in 1828—in the short space of twelve years after the termination of the late war—they reached the enormous amount of nearly one-half of the aggregate value of the entire imports, after deducting the reshipments. Beyond this point, the system never advanced; and, fortunately for the country, it did not. Had it continued its progress a few years longer, the enormous patronage which it placed at the disposal of the Chief Magistrate, would have terminated our form of government by enabling him to nominate his successor—or by plunging the country into a revolution, to be followed by disunion or despotism—as was foretold would be the consequence in the report to the Legislature of Virginia, so often referred to—if the system it reprobated were carried out in practice. But, happily, with the tariff of 1828, the reaction commenced, and has been ever since progressing. How, or by whom it was commenced, and has been urged forward to the present point, this is not the proper occasion to state. All I propose now is to trace its progress, and mark the point at which it has arrived.

The first step of this retrograde movement was the overthrow of the administration of the younger Adams. He came into power on the extreme principles and doctrines of the Federal national school, and on them he placed the hope of maintaining his elevation. For the truth of this assertion I appeal to his inaugural address and his messages to the two Houses at the openings of the annual sessions; and to expel his administration from power was, of course, a preliminary and indispensable step towards the restoration of the principles and doctrines of the opposite school; and, fortu-

nately, this was effected by a decided majority at the expiration of his first term.

The next step was the final discharge of the funded debt; and for this important step, at so early a period, the country is indebted principally to a friend, now unfortunately no more—the amiable, the talented, the patriotic Lowndes—the author of that simple, but effective measure, the Sinking Fund Act, passed shortly after the termination of the late war.

But the most formidable of all the obstacles—the source of the vast and corrupting surplus, with its host of extravagant and unconstitutional expenditures—the protective tariff, still remained in full force, and obstructed any further progress in the reaction that had commenced. By what decided and bold measures it was overcome is well known to all, and need not be told on this occasion. It is sufficient to say, that, after a long and desperate struggle, the controversy terminated in the Compromise Act, which abandoned the protective principle, and has, I trust, closed for ever what has proved in this Government a most prolific source of power, patronage, and corruption.

The next step in the progress was the overthrow of the Bank of the United States—the centre and soul of the paper system—a step that may justly be regarded as not inferior to any other in the whole series. That was followed by the Deposit Act of 1836, which transferred to the treasuries of the States the vast surplus which continued to flow in upon us, notwithstanding the great reduction under the Compromise Act. This decisive measure disburdened our surcharged treasury, and has forced on this Government the necessity of retrenchment and economy, and thereby greatly strengthened and accelerated the reaction. So necessary is the reduction of the income to reform, that I am disposed to regard it as a political maxim in free states, that an impoverished treasury, once in a generation at least, is almost

indispensable to the preservation of their institutions and liberty.

The next stage in the progress was, the suspension of the connection between the Government and the banks, in consequence of the suspension of specie payments. This occasion afforded an opportunity to strike the first blow against that illegitimate and unholy alliance. It was given decidedly, boldly, and vigorously, but still with only partial success. The interest in favor of maintaining the connection was too powerful to be overcome at once; but though not broken, the tie is greatly weakened, and nothing now is wanting to sever for ever this fatal knot, but to follow up what has already been done by persevering and energetic blows.

This is the point to which the reaction has already reached; and the question now to be considered is, To what point ought it to be urged, and what are the intermediate obstacles to be overcome? I am, for myself, prepared to answer. I have no concealment. My aim is fixed. It is no less than to turn back the Government to where it was when it commenced its operation in 1789; to obliterate all the intermediate measures originating in the peculiar principles and policy of the school to which I am opposed, and which experience has proved to be so dangerous and uncongenial to our system; to take a fresh start, a new departure, on the State Rights Republican tack, as was intended by the framers of the constitution. This is the point at which I have aimed for more than twelve years, and towards which I have persisted, during the whole period, to urge my way, in defiance of opposing difficulties, dangers, and discouragements, and from which nothing shall drive me (while in public life) till the object at which I aim is accomplished. By far the most formidable difficulties are already surmounted. Those that remain are comparatively insignificant.

Among these, the most important and difficult, by far, is, to separate the Government from the banks; but which,

after the blows the connection has received, will require not much more than unyielding firmness and perseverance. This done, the great work of freeing the Government entirely from the paper system, on which Hamilton laid the foundation of his whole policy, will have been achieved.

The next is, to carry out, in the revision of the tariff, which must take place at the next or succeeding session, the provisions of the Compromise Act;—that there shall be no duty laid but what may be necessary to the economical and constitutional wants of the Government. Should this be accomplished, there will be an end to the protective system, with all the evils that followed, and must ever follow, in its train. Nor can I believe, after what we have experienced, and what has been said during this session, that there will be any insuperable difficulty in effecting an object so intimately connected with the peace and tranquillity of the Union.

Having freed the Government from the paper and protective systems, the next step in importance is, to put a final stop to internal improvements—the construction and improvement of harbors, and the extravagant waste on, what we are pleased to call the pension system, but which has departed from every principle justly belonging to such a system. No government was ever before burdened with an expenditure so absurd and monstrous. It confounds all distinctions between the deserving and undeserving, and yearly draws millions from the treasury without any just claim on the public bounty—and ought to be both arrested and reformed.

A single step more brings the Government to the destined point; I mean a thorough reformation in the administrative department of the Government. I doubt not but that every branch needs reform. There are, doubtless, numerous defalcations in addition to those brought to light. The fault has been more in the system (a brief narrative of which I have given), than in those who have been charged

with the administration of the Government. For years money was as dirt. The treasury was oppressed with it, and the only solicitude was how to get clear of what was considered an useless burden. Hence the vast increase of expenditures; hence the loose and inattentive administration of our fiscal concerns; hence the heavy defalcations. Nor are these remarks confined to the executive department of the Government; they apply to all—to the two Houses of Congress as well as to other branches. But there is no longer a surplus. The treasury is exhausted, and the work of retrenchment, economy, and accountability is forced on us. Reform in the fiscal action of the Government can no longer be delayed, and I rejoice that such is the fact. Economy and accountability are virtues belonging to free and popular governments—and without which, they cannot long endure. The assertion is pre-eminently true when applied to this Government; and hence the prominent place they occupy in the creed of the State Rights and Republican school.

Having taken these steps, every measure of prominence originating in the principles and policy of the National Federal school will become obliterated, and the Government will have been brought back, after the lapse of fifty years, to the point of original departure,—when it may be put on its new tack. To guard against a false steerage thereafter, one important measure, in addition to those enumerated, will be indispensable:—to place the new States, as far as the public domain is concerned, in a condition as independent of the Government as the old. It is as much due to them, as it is indispensable to accomplish the great object in view. The public domain, within these States, is too great a stake to be left under the control of this Government. It is difficult to estimate the vast addition it makes to its power and patronage, and the controlling and corrupting influence which it may exercise over the Presidential election, and through that,

the strong impulse it may receive in a wrong direction. Till it is removed, there can be no assurance of a successful and safe steerage, even if every other sinister influence should be removed.

It would be presumptuous in me, Mr. President, to advise those who are charged with the administration of the Government, what course to adopt; but, if they would hear the voice of one who desires nothing for himself, and whose only wish is to see the country prosperous, free, and happy—I would say to them,—you are placed in the most remarkable juncture that has ever occurred since the establishment of the Federal Government. By seizing it, you may bring the vessel of state to a position, where she may take a new tack, and thereby escape all the shoals and breakers, among which a false steerage has run her, and bring her triumphantly into her destined port, with honor to yourselves, and safety to those on board. Take, then, your ground boldly; avow your object; disclose your measures; and let the people see clearly that you intend—what Jefferson designed to do, but, from adverse circumstances, could not accomplish—to reverse the measures originating in principles and policy uncongenial to our political system—to divest the Government of all undue patronage and influence—to restrict it to the few great objects intended by the constitution—in a word, to give a complete ascendency to the good old Virginia school over its antagonist, which time and experience have proved to be foreign to our system—and you may count with confidence on their support, without looking to any other means of success. Should you take such a course at this propitious moment, our free and happy institutions may be perpetuated for generations; but, if a different, short will be their duration.

On this question of patronage, let me add, in conclusion, that, according to my conception, the great and leading error in Hamilton and his school originated in a mistake as to the

analogy between ours and the British system of Government. If we were to judge by their outward form, there is, indeed, a striking analogy between them in many particulars; but if we look within, at their spirit and genius, never were two free Governments so perfectly dissimilar. They are, in fact, the very opposites. Of all free governments that ever existed —no, I will enlarge the proposition—of all governments that ever existed, free or despotic, the British Government can bear the largest amount of patronage—the greatest exaction and pressure on the people, without changing its character, or running into revolution. The greater, in fact, its patronage, the stronger it is—till the pressure begins to crush the mass of population with its superincumbent weight. But directly the opposite is the case with ours. Of all governments that ever existed, it can stand under the least patronage, in proportion to the population and wealth of the country, without changing its character, or hazarding a revolution. I have not made these assertions lightly. They are the result of much reflection, and can be sustained by conclusive reasons drawn from the nature of the two Governments; but this is not the proper occasion to discuss the subject.

REMARKS

On the Motion of Mr. Benton to strike out the 19th and 20th sections of the Independent Treasury Bill, the clauses which permit the reception and disbursement of Federal Paper; made in the Senate, January 16th, 1840.

[Mr. Benton having spoken at great length in support of his motion, Mr. Wright briefly remarked, that the matter was of no practical importance, as there would be, in a short time, no outstanding Federal

paper to receive or disburse. The debate was continued by Messrs. Norvell, Walker, and Allen, in favor of the motion, and Mr. Clay in opposition. In the course of his remarks, Mr. C. denounced the Bill as it stood, and as proposed to be amended, as essentially a "*Government Bank;*" and referred, in words of strong condemnation, to the course of Mr. Calhoun in regard to it. Mr. Calhoun replied:—]

It is said that extremes sometimes meet; of the truth of which we have an illustration in this case, in which the avowed opponent (Mr. Benton), and the avowed friend (Mr. Clay), of the credit system, object to the Government using its own credit; the one to the use of treasury notes, and the other to the use of treasury drafts. I, as the friend of the final and complete divorce of Government and banks, am opposed to the views of each extreme. It is my conviction, that if the Government should have the blindness to repudiate the use of its own credit, it would go far to defeat the policy of this bill, by restoring, in the end, the very union it is intended to dissever. The reason is obvious. Paper has, to a certain extent, a decided advantage over gold and silver. It is preferable in large and distant transactions, and cannot, in a country like ours, be dispensed with in the fiscal action of the Government, without much unnecessary expense and inconvenience: the truth of which would soon be manifest, if the Government should consent to dispense with the use of treasury drafts. But this is not the only form in which it may be convenient or necessary for it to use its own credit. It may be compelled to use it for circulation, in a more permanent form, as the only means of avoiding—what I regard a great evil—a federal debt. I am decidedly opposed to governmental loans. I believe them to be, in reality, little better than a fraud on the community, if made in bank-notes —and highly injurious, if made in large amounts in specie. I saw enough in the late war, to put me on my guard against them. I saw the Government borrow the notes of insolvent banks, the credit of which depended almost exclusively on

the fact, that they were received and disbursed by the Government as money. I saw the Government borrow these worthless rags—worthless but for the credit it gave them—at the rate of eighty for one hundred; that is, for every eighty dollars it borrowed of these notes, it gave one hundred dollars of its stock, losing six per cent. interest. Still worse; I saw the Government, with the view of conciliating the banks, which were fleecing the community, permit them to discredit its own paper, by refusing to receive its treasury notes at par, though bearing six per cent. interest, for their own worthless trash, without interest; and thus degrading and sinking its own credit below that of insolvent banks. All this I saw.

Now, Sir, I hold that it is only by the judicious use of Government credit, that a repetition of a similar state of things can be avoided in the event of another war. It may be laid down as a maxim, that without banks and bank-notes, large Government loans are impracticable; and without some substitute, such loans, in the event of war, would be unavoidable. The only substitute will be found to be in the direct use, by the Government, of its own credit. Now, as I regard the borrowing from banks, not only as one link in the connection between Government and banks, but as inevitably leading to the use of bank-notes in the collection and disbursement of its revenue,—I also regard the use, by the Government, of its own credit, in the form of treasury notes, or some other and better form, as indispensable to the permanent success of the policy of this bill. If the Government had relied on its credit, instead of loans from banks, in the late war; if it had then refused to receive and pay away bank-notes, as this bill proposes,—or had had but the manliness to refuse to receive the notes of banks which refused to receive its notes at par,—I venture little in saying, that the expense of the war might have been reduced forty millions.

For these reasons, I cannot assent that the Government should repudiate the use of its own credit, nor do I believe that such is the sense of this body. Should there be any one of a contrary opinion, let him submit a direct proposition to prohibit the Government from the use of its credit. I would be glad to see the vote on such a proposition. Instead of being unanimous in its favor, as the mover of the amendment would have us believe, it is far more probable it would be nearly so the other way.

But I am told, that the provision now proposed to be stricken out, was in an amendment which I moved at the extra session,—containing, what is usually called, the specie feature. This is true,—but is easily explained. It was then known that there was a large temporary deficit in the revenue, which I preferred meeting by the use of our own credit to a loan from the banks. But now we are told that there will be no deficit, and, of course, that reason does not apply. I must, however, say, that according to my impression, there will be a deficit before the end of the year of some millions, without the most rigid economy; and one of the motives I have for acquiescing in the proposed amendment, is to enforce such economy, by increasing the difficulty of providing for the deficit should there be one. In that case, it is clear there will be a conflict between the advocates of loans and of Government credit; in which, if it should come, I need not say on which side I shall be found.

SPEECH

On the Report of Mr. Grundy of Tennessee, in relation to the assumption of the Debts of the States by the Federal Government; delivered in the Senate, February 5th, 1840.

Mr. Calhoun said: When I have heard it asserted, again and again, in this discussion, that this report was uncalled for; that there was no one in favor of the assumption of State debts, and that the resolutions were mere idle, abstract negatives, of no sort of importance, I cannot but ask myself, If all this be so, why this deep excitement? why this ardent zeal to make collateral issues? and, above all, why the great anxiety to avoid a direct vote on the resolutions? To these inquiries I can find but one solution; and that is, disguise it as you may, there is, in reality, at the bottom, a deep and agitating question. Yes, there is such a question. The scheme of assuming the debts of the States is no idle fiction. The evidence of its reality, and that *it is now in agitation*, bursts from every quarter, within and without these walls, on this side and the other side of the Atlantic; not, indeed, a direct assumption, for that would be too absurd; and harmless, because too absurd; but in form far more plausible and dangerous—an assumption, *in effect*, by dividing the proceeds of the sales of the public lands among the States.

I shall not stop to show that such distribution, under existing circumstances, with the deep indebtedness and embarrassment of many of the States, would be, in reality, an assumption. We all know, that without such indebtedness and embarrassment, the scheme of distribution would not have the least chance for adoption, and it would be perfectly

harmless, and cause no excitement; but plunged, as the States are, in debt, it becomes a question truly formidable, and on which the future politics of the country are destined for years to run. If, then, the scheme should be adopted, it must be by the votes of the indebted States, in order to aid their credit, and lighten their burden; and who is so blind as not to see that it would be in truth, what I have asserted it to be in effect, to that extent, an assumption of their debts?

Here, then, we have the real question at issue, which has caused all this excitement and zeal—a question pregnant with the most important consequences, immediate and remote. What I now propose is, to trace rapidly and briefly some of the more prominent which would result from this scheme, should it ever become a law.

The first, and most immediate, would be to subtract from the treasury a sum equal to the annual proceeds of the sales of the public lands. I do not intend to examine the constitutional question, whether Congress has or has not the right to make the subtraction, and to divide the proceeds among the States. It is not necessary. The committee has conclusively shown that it has no such power; that it holds the public domain in trust for the States in their Federal capacity as members of the Union, in aid of their contribution to the treasury; and that, to denationalize the fund (if I may use the expression), by distributing it among the States for their separate and individual uses, would be a manifest violation of the trust, and wholly unwarranted by the constitution. Passing, then, by the constitutional question, I intend to restrict my inquiry to what would be its fiscal and moneyed effects.

Thus regarded, the first effect of the subtraction would be to cause an equal deficit in the revenue. I need not inform the Senate that there is not a surplus cent in the treasury; that the most rigid economy will be necessary to meet the demands on it during the current year; that the revenue, so

far from being on the increase, must be rapidly reduced, under existing laws, in the next two years; and that every dollar withdrawn, by subtracting the proceeds of the public lands, must make a corresponding deficit. We are thus brought to the question, What would be the probable annual amount of the deficit, and how is it to be supplied?

The receipts from the sales of the public lands, I would suppose, may be safely estimated at five millions of dollars at least, on an average, for the next ten or fifteen years. They were about six millions the last year. The first three quarters gave within a fraction of five and a half millions. The estimate for this year, is three and a half millions; making the average of the two years but little short of five millions. If, with these data, we cast our eyes back on the last ten or fifteen years, we shall come to the conclusion, taking into consideration our great increase of population and wealth, and the vast quantity of public lands held by the Government, that the average I have estimated is not too high. Assuming, then, that the deficit would be five millions, the next inquiry is, How shall it be supplied? There is but one way; a corresponding increase of the duties on imports. We have no other source of revenue, but the Post Office. No one would think of laying it on that, or to raise the amount by internal taxes. The result, then, thus far, would be to withdraw from the treasury five millions of the proceeds of the sales of the public lands, to be distributed among the States, and to impose an equal amount of duty on imports, to make good the deficit. Now I would ask, What is the difference, regarded as a fiscal transaction, between withdrawing that amount for distribution, and imposing a similar amount of duties on the imports, to supply its place, and that of leaving the proceeds of the sales of the land in the treasury, and imposing an equal amount of duties for distribution? It is clearly the same thing, in effect, to retain the proceeds of the public lands in the treasury and to

impose the duties for distribution, or to distribute the proceeds and thereby force the imposition of the duties to supply the place.

It is then, in reality, a scheme to impose five millions of additional duties on the importations of the country, to be distributed among the States; and I now ask, Where is the Senator who will openly avow himself an advocate of such a scheme? I put the question home, solemnly, to those on the opposite side: Do you not believe that such a scheme would be unconstitutional, unequal, unjust, and dangerous? And can you, as honest men, do that in effect, by indirect means, which, if done directly, would be clearly liable to every one of those objections?

I have said such would be the case, regarded as a fiscal transaction. In a political point of view, the distribution of the proceeds of the sales of the land would be the worse of the two. It would create opposing and hostile relations between the old and new States, in reference to the public domain. Heretofore the conduct of the Government has been distinguished by the greatest liberality, not to say generosity, towards the new States, in the administration of the public lands. Adopt this scheme, and its conduct will be the reverse. Whatever might be granted to them, would subtract an equal amount from the sum to be distributed. An austere and rigid administration would be the result, followed by hostile feelings on both sides, that would accelerate the conflict between them in reference to the public domain—a conflict advancing but too fast by the natural course of events, and which any one, in the least gifted with foresight, must see, come when it will, would shake the Union to the centre, unless prevented by wise and timely concession.

Having shown that the scheme is, in effect, to impose duties for distribution, the next question is, On whom will they fall? I know that there is a great diversity of opinion

as to who, in fact, pays the duties on imports. I do not intend to discuss that point. We, of the staple and exporting States, have long settled the question, for ourselves, almost unanimously, from sad experience. We know how ruinously high duties fell on us; how they desolated our cities, and exhausted our section. We also know how rapidly we have been recovering as they have been going off, in spite of all the difficulties of the times, and the distracted and disordered state of the currency. It is now a fixed maxim with us, that there is not a whit of difference, so far as we are concerned, between an export and import duty—between paying toll going out, or returning in—or going down to market, or returning back. If this be true, of which we have no doubt, it is a point of no little importance to us of the staple States to know what portion of the duties will fall to our lot to pay. We furnish about three-fourths of the exports, with about two-fifths of the whole population. Four-fifths of five millions is four millions, which would be the measure of our contribution; and two-fifths of five millions is two millions, which would be our share of the distribution; that is to say, for every two dollars we would receive, under this notable scheme, we would pay four dollars to the fund from which it would be derived.

I now ask, what does it amount to, but making the income of the States, to the amount of five millions annually, common property, to be distributed among them, according to numbers, or some such ratio, without the least reference to their respective contributions? And what is that but rank agrarianism—agrarianism among the States? To divide the annual income is as much agrarianism as to divide property itself; and would be as much so, divided among twenty-six States, as among twenty-six individuals. Let me admonish the members opposite, if they really apprehend the spirit of agrarianism as much as might be inferred from their frequent declarations, not to set the fatal example here,

in their legislative capacity. Remember there is but one step between dividing the income of the States, and that of individuals, and between a partial and general distribution.

Proceeding a step further, in tracing consequences, another question presents itself—On what articles shall the duties be laid? On the free or the dutied articles? Shall they be laid for revenue or for protection? Is it not obvious that so large an amount as five millions, equal to one-third of the present income from that source, and probably not much less than one-half of what it will be at the end of two years, cannot be raised without rousing from its slumber the tariff question, with all its distraction and danger? Should that, however, not be the case, there is another consequence connected with this, that cannot fail to rouse it, as I shall now proceed to explain.

The act of distributing the sales of the public lands among the States, of itself, as well as the amount to be distributed, will do much to resuscitate their credit. It is the desired result, and the leading motive for the act. Five millions annually (the amount assumed), on a pledge of the public domain, would, of itself, be a sufficient basis for a loan of ninety or an hundred millions of dollars, if judiciously managed. But suppose that only one-half should be applied, as the means of negotiating loans abroad, in order to complete the old, or to commence new works of improvement, or other objects. I ask, What would be the effect on our imports, of negotiating a loan in England, or elsewhere in Europe, of forty or fifty millions, in the course of the next year or two? Can any one doubt from past experience? We all know the process. Very little gold or silver is ever seen in these negotiations. A credit is obtained, and that placed in bank there, or with wealthy bankers. Bills are drawn on this country, and then sold to merchants. These are transmitted to Europe, and the proceeds returned in goods,

swelling the tide of imports in proportion to the amount. The crash of our manufactures follows, and this, in turn, is followed by denunciations against over-importing and over-trading, in which those who have been most active in causing it are sure to join, but will take special care to make not the least allusion to the real source whence it flows. Is not that the case at this moment? And can it be doubted, that with the increase of the cause, the clamor for protection will increase, until, with united voices, the friends of the system would demand its renewal? If to this we add, that under the Compromise Act, the tariff must be revived and remodelled, who can look at such a concurrence of powerful causes without seeing that it would be almost impossible to prevent the revival of the protective system, should the scheme of distribution be adopted? I hazard nothing in asserting that the renewal would certainly follow; and, as this would be one of the most prominent and durable consequences of that scheme, I propose to consider it fully, in its most important bearings.

One of the most striking features of the system is its tendency to increase. Let it be once recognized, and let the most moderate duties be laid for protection; but put the system in motion and its course would be onward, onward, by an irresistible impulse, as I shall presently show, from past experience; and hence the necessity of vigilance, and a determined resistance to every course of policy that may by possibility lead to its renewal. This tendency to increase results from causes inherent and inseparable from the system, and has evinced itself by the fact, that every tariff for protection has invariably disappointed its friends in the protection anticipated, and has been followed periodically, after short intervals, by a demand for another tariff with increased duties, to afford the protection vainly anticipated from its predecessor. Such has been the result throughout, from 1816 to 1828, when the first and last protective tariffs

were laid, which I propose now to show by a very brief historical sketch of the rise and progress of the system.

The late war, with the embargo, and other restrictive measures that preceded it, almost expelled our commerce from the ocean, and diverted a vast amount of capital, that had been employed in it, to manufactures. Such was the cause that led to the system. After the termination of the war, there was, on the part of Congress and the country, the kindest feeling toward the manufacturing interest, accompanied by a strong desire so to adjust the duties (indispensable to meet the expenses of Government, and to pay the public debt) as to afford them ample protection. The manufacturers were consulted, and the act of 1816 was modelled to their wishes. They regarded it as affording sufficient and permanent protection, and I, in my then want of experience as to the nature of the system, did not dream that we would hear any more of tariff, till it would become necessary to readjust the duties, after the discharge of the public debt. Vain expectation! Two years had not passed away before the manufacturers were as clamorous as ever for additional protection; and to meet their wishes, new duties were laid, from time to time, with the same result; but the clamor still returned, till 1824, when the tariff of that year passed, which was believed on all sides to be ample, and was considered, like that of 1816, to be a final adjustment of the question. It was under this impression that the South acquiesced (reluctantly) in the very high duties it imposed. The late General Hayne, then a distinguished member of this body, took a very active part against it; and I well remember, after its passage, that he consoled himself with the belief that, though oppressive, it would be the last. His expectation proved as vain as mine in 1816. Before two years had passed, we were again besieged with the cry of the inadequacy of the protection; and in the summer of 1827, a large convention of manufacturers from all parts was held at Har-

risburg, in Pennsylvania, to devise a new and more ample scheme of protection to be laid before Congress at the next session. That movement ended in the adoption of the tariff of 1828, which, in order to make sure work, went far beyond all its predecessors in the increase of duty. The duties were raised on the leading articles of consumption from forty to fifty per cent. above former duties, high as they were. I speak conjecturally, without any certain data. In less than three years, even that enormous rise proved to be insufficient, as I shall presently show, and would certainly have been followed by new demands for protection, had not the small but gallant State I represent, arrested its further progress—no, that is not strong enough—brought the system to the ground, against the resistance of the administration and opposition—never, I trust, to rise again.

The fact disclosed by this brief historical sketch is, that there is a constant tendency to increase in the protective system; and that every increase of duty, however high, requires periodically, after a short interval, an additional increase. This, as I have stated, is not accidental, but is the result of causes inherent in the system itself, in the present condition of our country. It originates in the fact that every increase of protection is necessarily followed by an expansion of the currency, which expansion must continue to enlarge till the increased price of production in consequence shall become equal to the increased duty, and when the importation of the articles prohibited may again take place with profit. This is the principle; and as it is essential to the peace and prosperity of the country that it should be clearly understood, I intend to establish its truth beyond doubt or cavil; and for that purpose, shall begin with the tariff of 1828, the last and by far the boldest of the series, with the view of illustrating, in its case, the operation of the principle. I entreat the Senate to give me its fixed attention. The principle, well understood, will shed a flood of light on the

past and present difficulties of the country, and guide us in safety in our future course.

To give a clear conception of the operation of the tariff of 1828, it will be necessary to premise that it comprehended all the leading articles of consumption that could be manufactured in our country; amounting, in value, to not much less than one-half of the whole of the imports; that the duties on these articles were increased enormously, as has been stated—say not less than forty or fifty per cent.; that the average domestic exports at the time were not much short of sixty millions of dollars, and the imports for consumption about the same; that the revenue from the imports was about half that sum; and that of the exports, about three-fourths consisted of the great agricultural staples of the South. What, then, with these facts, must have been its necessary operations on the currency of the manufacturing States? We export to import. It is impossible to continue to export for any considerable length of time, without a corresponding return of imports. It would be to give away our labor for nothing. Our exports, then, continuing at an average of sixty millions, in what, under the operation of the tariff of 1828, must the corresponding imports to the same amount return? Not, certainly, to the same extent as before its passage, in the articles on which it had so greatly increased the duties? Its object in raising them, was to give our manufacturers the home market, by excluding the foreign articles of the same description. If it failed in that, it failed in accomplishing any good whatever, and became an unmixed evil, without benefit to any one. The return, then, of imports, must have been principally in articles on which the duties were not raised, as far as the consumption of the country would warrant, and the balance, after paying what was due abroad, in gold and silver. The first effect, then, must have been to turn the foreign exchange in our favor; a most important consequence connected with the increase of gold and silver in

relation to the currency. The next must have been to turn the domestic exchanges still more strongly against the staple States, and in favor of the manufacturing. To understand this portion of the operation, I must again repeat that the object of the tariff was to cut off the consumption of the foreign articles, in order that they should be supplied by our own manufactures. The necessary consequence of this must have been to diminish the demand abroad, and to increase it in the manufacturing States, and thereby to turn the influx of gold and silver to that point, in order to purchase the supplies there, which we have been in the habit of obtaining from abroad. These causes combined, must have had the effect of adding greatly to the capacity of the banks in that quarter to extend their discounts and accommodations, and with it the circulation of their notes. With a growing supply of specie, and the exchange favorable in every direction, as must have been the case, there is no limit to the business of banks, nor are they slow to perceive or to act on such favorable circumstances. Nor must we overlook another powerful cause in operation,—the fiscal action of the Government,—through the operation of which the vast sums collected under such high duties, were transferred to the same quarter, to be applied in discharge of the public debt, and disbursed on the innumerable objects of expenditure there.

Under the operation of such powerful causes, there could not but be a vast and sudden expansion of the currency where they were in such great activity, and with that expansion a corresponding increase of prices and the cost of production. Nor could this state of things cease till the increased cost of production became equal to the duty imposed for protection. At that point, and not before, must specie cease to flow in, and the exchange to be favorable; but when reached, the tide must turn, importations of the protected articles would recommence, specie flow out, and exchanges become adverse. This must be so obvious, that it

would only darken to attempt to make it more clear. With the turn of the tide the banks must contract, and pecuniary embarrassment and distress follow. Such, under the operation of the causes assigned, must be the result, for reasons which appear to me irresistible. But, Sir, I do not mean to leave so important a point to the mere force of argument, however clear and certain. I intend to prove, by incontestable authority of documents, such was, in fact, exactly the result. I intend to place the principle laid down, as I have said, beyond doubt or cavil.

The first authority I shall adduce, is from the report of a committee of the other House, made in February, 1832, by Campbell P. White, the Chairman, then a member from the city of New-York.* The report is evidently drawn with great care, and by one familiar with the subject; and has the advantage of being on another subject (the currency), without any reference to the tariff, or protective system, and evidently without any knowledge of its operation. Hear, then, what the report says:—

"The recent export of specie has swept away the delusive coloring given to the actual result of production *in* 1829, 1830, *and the early part of* 1831. Real estate appreciated greatly; local stocks commanded unheard of prices; warehouses and dwellings were improved and embellished, and money was so abundant that it could readily be obtained to any amount upon promissory notes. How changed is the general aspect of things within a few months! All our solid possessions and means of industry remain; land continues to be equally productive; labor is recompensed with its usual reward; the seasons have not been unfriendly. Whence, then, this lamentable change in our affairs? Why this great scarcity of money; depreciation in value of all commodities, and of all property; great commercial distress, and absolute impossibility with many solvent persons to discharge their just debts, so speedily and grievously succeeded the gratifying and prosperous picture which was so lately presented?"

What a confirmation of the deductions of reason, both

* Document 278, House of Representatives.

in the swelling tide of prosperity and the turning ebb of adversity. The sketch of the latter is not unsuited to the present time; good seasons, and productive years, and every element, apparently, of plenty and prosperity, and yet deep and wide-spread distress; though, at that time, there had been no removal of deposits, nor had the Sub-Treasury been heard of, to which gentlemen are now disposed to attribute all the calamities which afflict the country.

The author of the report could give no satisfactory answer to his question, whence all this sudden and unlooked for calamity; but he has furnished us with the means of tracing it clearly to the tariff of 1828. It went into operation on the 1st of September of that year, and the next year felt the swelling, but delusive tide of an expanding currency; the exchange turned in our favor; gold and silver, following the impulse, flowed in; banks began to enlarge their discounts and circulation. It continued to swell with a stronger and stronger current, through all the subsequent year, and the first part of the next, nearly three years, according to the usual period, when it began to ebb; and then followed the reverse scene, so feelingly described by the author, and which to him appeared so unexpected and unaccountable. It was at this point, had not the movements in the South arrested the further progress of the system, that there would have been another clamor for additional duties. The distress, as usual, would have been attributed to over-importation, and that to the want of adequate protection; and in 1832 (the usual period of four years having intervened), another protective tariff would have been inflicted, to be followed by the same train of consequences, and with equal disappointment to its authors.

Now, Sir, to show that the flowing in of the precious metals, in consequence of the tariff of 1828, is not a mere assumption, I have extracted from the public documents for the years 1829 and 1830, the imports and exports of gold

and silver, which I hold in my hand. The import in 1829 was $7,403,612, and the export $4,311,134, making an excess of imports over exports of $3,092,478; and for 1830, $8,155,964 against $1,241,622, making an excess of imports of $6,914,342; making, in the two years, an excess of imports of $10,006,810. By turning to the report already cited, it will be seen that the estimated amount of specie in the country on the 1st of January, 1830, was but $25,000,000, of which $5,000,000 were in circulation, and $20,000,000 in the vaults of the banks; so that the addition to the specie in the two years was forty per cent. on the whole amount.

It now remains to be shown what was the effect of this great proportional increase of specie, and the favorable state of the exchange which it indicates, on the banks in the manufacturing States. The report will furnish the information, not fully, but enough to satisfy every reasonable man. It gives the following statement of the amount of bank-notes in circulation in 1830 and 1832, respectively, in the States of Massachusetts, Rhode Island, New-York, and Pennsylvania, including the Bank of the United States, which will show the vast increase in the short space of two years.

[Here Mr. C. read the following statement:—

	1830.	1832.	Relative Increase of Circulation in two years.
Massachusetts	$ 4,730,000	$ 7,700,000	65 per cent.
Rhode Island	670,000	1,340,000	100 "
New-York	10,000,000	14,100,000	40 "
Pennsylvania	7,300,000	8,760,000	20 "
Bank United States	15,300,000	24,600,000	67 "
	$38,000,000	$56,500,000]	

These are, it will be borne in mind, the principal manufacturing States. In the period of two years, we find their bank circulation, taken in the aggregate, expanded from

thirty-eight to fifty-six and a half millions of dollars, making an increase of sixteen and a half millions, equal to forty-four per cent. But this falls far short of the actual increase. The year 1829 is not included. It must have been one of great expansion, as the import of specie greatly exceeded its exports; which, with the favorable state of the exchange implied, must have greatly increased the business of the banks and the circulation of their notes. The reverse must have been the case in 1832, which is included, as we know by the report itself, that year, and the latter part of the preceding, was a period of severe contraction. If a return could be had of 1829, 1830, and the early part of 1831, I venture nothing in asserting that we should find the comparison, compared with 1828, the year of the tariff, far greater in proportion.

That there is no mistake in attributing this great expansion to the tariff, might be further shown, if additional proof were necessary, after such conclusive evidence, from the fact that it is impossible to assign any other adequate cause. As far as can be seen, there was no other cause in operation, political or commercial, that could have produced the results. It was a period of profound peace, and the exports and imports of the country steady to an unusual degree.

Should doubt, however, still remain in the mind of any one after all this accumulation of evidence, I will next call the attention of the Senate to a fact which must be conclusive with all disposed to receive the truth. By turning to the table, showing the extent of bank circulation in 1830 and 1832, in the four States already referred to, it will be seen that the expansion was greater or less, just as the States respectively were more or less manufacturing. It will not be doubted that Rhode Island is the most manufacturing of the four, and we accordingly find there the greatest expansion; and that for the simple reason, that there the causes assigned must have been in the state of the greatest activity.

Her bank circulation doubled in the short space of two years, as appears by the table. Massachusetts is the next; and we find hers is the next highest, being sixty-five per cent.; New-York is still less so, and hers is but forty per cent.; and Pennsylvania, the least of the four, had, excluding the Bank of the United States, increased only twenty per cent. If the statement had extended further South, and taken in the staple States, I venture little in making the assertion that, instead of expansion, their bank circulation would, for the same period, have been found in the opposite state, for the reverse reason. It will be seen the Bank of the United States had expanded sixty-seven per cent. This great increase, compared to the local banks of Pennsylvania, may probably be attributed partly to loans negotiated further East, and not improbably because her accommodations were somewhat enlarged, from causes connected with her efforts, at the time, to obtain a renewal of her charter.

I trust that I have now established, to the entire satisfaction of the Senate, the truth of the great principle which has been laid down—that every increase of protective duties is necessarily followed, in the present condition of our country, by an expansion of the currency, which must continue to increase till the increased price of production, caused by the expansion, shall be equal to the duty imposed, when a new tariff will be required. Assuming, then, the principle as incontrovertible, it follows that the natural tendency of the protective system is to expand, in seeking to accomplish its object, till it terminates in explosion. It would be easy to show, from what has already been stated, that this tendency must continue till the exports shall be so reduced as to be barely sufficient to meet the demands of the country for the articles not included in the protection; as it must be obvious, so long as they exceed that amount, so long must specie continue to be imported, and the exchange

to be in our favor, till the protection is broken down by the expansion of the currency.

The consummation, therefore, of the system, must be one of two things: explosion, or the reduction of the exports, so as not to exceed the amount of the unprotected articles;—but either termination must prove disastrous to the system; the former by a sudden and violent overthrow, and the latter by the impoverishment of customers and raising up of rivals, as they ceased to be customers. To have a just conception of its operation in this particular, it will be necessary to bear in mind, that the South and the West are the great consumers of the products of the North and East; and that the capacity of the South to consume, depends on her great agricultural staples almost exclusively; and that their sale and consumption depend mainly on the foreign market. What, then, would be the effect of reducing her exports to the point indicated, say to forty or fifty millions of dollars? Most certainly to diminish her capacity to consume the products of the North and East in the same proportion, followed by a corresponding diminution of the revenue, and the commerce and navigation of the country. But the evil would not end there, great as it would be. It would have an equal or greater effect on the consumption of the West. That great and growing section is the provision portion of the Union. Her wide and fertile region gives her an unlimited capacity to produce grain and stock of every description; and these, for the most part, find their market in the staple States. Cut off their exports, and their market would be destroyed; and with it, the means of the West, to a great extent, for carrying on trade with the Northern and Eastern States. To the same extent, they and the staple States would be compelled to produce their own supplies, and would thus from consumers, be converted into rivals with the other section.

How much wiser for all would be the opposite system of

low duties, with the market of the world opened to our great agricultural staples? The effects would be a vast increase of our exports, with a corresponding increase of the capacity to consume on the part of the South and West, making them rich and contented customers, instead of impoverished and discontented rivals of the other section. It is time that this subject should be regarded in its true light. The protective system is neither more nor less than a war on the exports. I again repeat, if we cannot import, we cannot long export; and just as we cut off or burden the imports, to the same extent do we, in effect, cut off and burden the exports. This I have long seen, and shall now proceed to prove, by reference to the public documents, that my assertion is sustained by facts. The table of exports shows that, during the seven years from 1824 to 1831, our domestic exports remained nearly stationary, notwithstanding the great increase of our population during that period. Your statute book will show that, during the same period, the protective system was in its greatest vigor. The first relaxation took place in December, 1830, under the act of the 20th May, of the same year, which made a great deduction in the duties on coffee and tea. I shall now turn to the table, and give the exports of domestic articles for those years, beginning with 1824:

[Here Mr. C. read the following statement:

In 1824	the	domestic	exports	were $50,649.500
1825	"	"	"	66,944,745
1826	"	"	"	53,055,710
1827	"	"	"	58,921,691
1828	"	"	"	56,069.669
1829	"	"	"	55,700,193
1830	"	"	"	59,462,029]

If we take the average of the first three and the last of these years, we shall find the former is a million and a half greater than the latter, showing an actual falling off, instead of an increase, to that extent, in our exports.

With 1831, the reduction of duties commenced on the articles mentioned; and in December, 1833, the first great reduction took place under the Compromise Act. I shall turn to the same table beginning with 1831, and read a statement of the exports for the eight years under the approach of the free trade system. It is but an approach. I invite especial attention to the rapid rise, after the great reduction in December, 1833.

In 1831	the	domestic	exports	were $61,277,057
1832	"	"	"	63,137,470
1833	"	"	"	70,317,698
1834	"	"	"	81,034,162
1835	"	"	"	101,189,082
1836	"	"	"	106,916,680
1837	"	"	"	95,564,414
1838	"	"	"	96,033,821

How rapid the rise just as the weights are removed! The increase, since the great reduction in 1833, has nearly doubled the average exports, compared with the average of the seven tariff years preceding 1831, and would have quite doubled them, had not the expanded and deranged condition of the currency, and the consequent embarrassment of commerce, prevented it.

But what will appear still more extraordinary to those who have not reflected on the operation of the protective system, is the great increase of the exports of our domestic manufactures, as the duties go off, following, in that respect, the same law that regulates the exports of the great agricultural staples. It is a precious fact, that speaks volumes, and which demands the serious consideration of the manufacturing portion of the Union. I well remember the sanguine expectations of the friends of the system, of the great increase of the exports of domestic manufactures which they believed would follow the tariff of 1828. Well, we now have the result of experience, under that act, and also under that of a

partial approach to free trade, and the result is exactly the reverse of the anticipations of the friends and advocates of protection. So far from increasing, under the tariff of 1828, the exports of manufactured articles actually diminished, while they have rapidly increased just as the duties have gone off.

But the table of exports shall speak for itself. During the four years, under the tariff of 1824, that is from that year to 1829, when the tariff of 1828 went into operation, the exports of domestic manufactures gradually declined from $5,729,797, in the year 1825, to $5,548,354 in the year 1828. From that time it steadily declined, under the tariff of 1828, each succeeding year showing a falling off compared with the preceding, till 1833,—declining, throughout the period, from $5,412,320 in 1829, to $5,050,633 in 1832, and showing an aggregate falling off, during the whole tariff regime of eight years from 1825 to 1832, of nearly $700,000. At this point, we enter on the relaxation of the system, and there has been an onward move, with but little vibration, throughout the whole period, till the present time. The last year we have is 1838, when the exports exceeded any preceding year. They amounted to $8,397,078, being an increase, during the six years of the reduction of duties, of $3,346,445, against a falling off, in the preceding eight years of protection of $700,000—an increase of 65 per cent. in six years ; and this in the midst of all the embarrassments of commerce, and expansion and derangement of the currency,—and, let me add, what has been so much dreaded by the friends of manufactures, the mighty increase of the exports of our great agricultural staples, during the same period ; a clear proof that, under the free trade system, the one does not interfere with the other. Let no friend of manufactures suppose that this interesting result is accidental. It is the operation of fixed laws, steady, and immutable in their course, as I shall hereafter show.

Now, Sir, I feel myself, with these facts, warranted in asserting, that if the deranged state of the currency had not interfered, the great manufacturing interest would have gone on in a flourishing condition during the whole period of the reduction under the Compromise Act,—proving thereby, to the satisfaction of all, the fallacy of the protective system. Any supposed loss, from the reduction of duties, would have been much more than made up by the increased ability of the South and West to consume, and the rapidly growing importance of the foreign market.

But I have not yet done with the system. It has additional and heavy sins to answer for. The tariff of 1828 is the source in which has originated that very derangement of the currency, which so greatly embarrasses, at this time, the very interest it was intended to protect, as well as all other branches of industry. Bold as is the assertion, I am prepared to establish it to the letter.

It has already been proved that the great expansion of the currency in 1829, 1830, and 1831, was the immediate effect of the tariff of 1828. It remains to be shown that the cause of the still greater and longer continued expansion which has terminated in the overthrow of the banking system, and the deep and almost universal distress of the country, may be clearly traced back to the same source. To do this, we must return to the year 1832, and trace the chain of events to this time. In that year, the public debt was finally discharged. The vast revenue which had been poured into the treasury by the tariff of 1828, and which had accelerated the payment of the public debt, could, after its discharge, no longer be absorbed in the ordinary expenditures of the Government, and a surplus began to accumulate in the treasury. The late Bank of the United States was then the fiscal agent of the Government, and the depository of its revenue. Its growing amount, and prospects of great future increase, began to act on the cupidity of many of the leading State banks, and

some of the great brokers of New-York. Hence their war against that institution; and hence, also, the removal of the deposits. The late President I believe to have been really hostile to the Bank on principle; but there would have been little or no motive to remove them, had it not been for their growing importance, and the hostility which the desire of possessing them had excited. They were removed, and placed in the vaults of certain State banks. To this removal and deposit in the State banks, the members over the way are in the habit of attributing all the disorders of the currency, which have since followed. Now I ask, in the first place, is it not certain, if it had not been for the surplus revenue, the deposits would not have been removed? And, in the second, if there would have been a surplus had it not been for the tariff of 1828?

Again: is it not equally clear that it was the magnitude of the surplus, and not the removal, of itself, that caused the after derangement and disorder? If the surplus had been but two or three millions, the ordinary sum in deposit, it would have been of little importance where it was kept; whether in the vaults of the Bank of the United States, or those of the States; but involving, as it did, fifty millions and more, it became a question of the highest importance. I again ask, to what is this great surplus to be attributed, but to the same cause? Yes, Sir, the tariff of 1828 caused the surplus, and the surplus the removal and all the after disasters in the currency, aggravated, it is true, by being deposited in the State banks; but it may be doubted whether the disaster would have been much less, had they not been removed. Be that, however, as it may, it is not material, as I have shown, that surplus itself was the motive for removal. We all remember what occurred after the removal. The surplus poured into the treasury by millions, in the form of bank-notes. The withdrawal from circulation, and locking up in the vaults of the deposit banks, so large an amount,

created an immense vacuum, to be replenished by repeating the issues which gave to the banks the means of unbounded accommodations. Speculation now commenced on a gigantic scale; prices rose rapidly, and one party, to make the removal acceptable to the people, urged the new depositaries to discount freely,—while the other side produced the same effect, by censuring them for not affording as extensive accommodations as the Bank of the United States would have done, had the revenue been left with it. Madness ruled the hour. The whole community was intoxicated with imaginary prospects of realizing immense fortunes. With the increased rise of prices began the gigantic speculations in the public domain, the price of which being fixed by law, could not partake of the general rise. To enlarge the room for their operations, I know not how many millions (fifty, I would suppose, at least, of the public revenue) was sunk in purchasing Indian lands, at their fee simple price nearly, and removing tribe after tribe to the West, at enormous cost; thus subjecting millions on millions of the choicest public lands to be seized on by the keen and greedy speculator. The tide now swelled with irresistible force. From the banks the deposits passed by discounts into the hands of the land speculators; from them into the hands of the receivers, and thence to the banks; and again and again repeating the same circle, and, at every revolution, passing millions of acres of the public domain from the people into the hands of speculators, for worthless rags. Had this state of things continued much longer, every acre of the public lands, worth possessing, would have passed from the Government. At this stage the alarm took place. The revenue was attempted to be squandered by the wildest extravagance; resolutions passed this body, calling on the departments to know how much they could spend, and much resentment was felt because they could not spend fast enough. The Deposit Act was passed, and the Treasury Circular issued; but, as far as the

currency was concerned, in vain. The explosion followed, and the banks fell in convulsions, to be resuscitated for a moment, but to fall again from a more deadly stroke, under which they now lie prostrate.

I have now presented, rapidly, the unbroken chain of events up to the prolific source of our disasters, and down to the present time. In addition to the causes originating directly in the tariff of 1828, there were several collateral powerful ones, which have contributed to the present prostrated condition of the currency and the banks, but which would have been comparatively harmless of themselves. Among these was the important change in the charter of the Bank of England, at the last renewal, about the time our surplus revenue began to accumulate, by which its notes were made a legal tender in all cases, except between the bank and its creditors. The obvious effect of this modification was, to diminish the demand for specie in that great mart of the world, and, in consequence, must have tended powerfully to keep the exchange with us in an easy condition, while the tide of circulation was rapidly rising to a dangerous height. But there was another cause which contributed still more powerfully to the same results: I refer to the great loans negotiated abroad by States and corporations. To these I add the operation of the United States Bank of Pennsylvania, the direct object of which, in some of its more prominent transactions, was to prevent the exchange from becoming adverse to us.

By the operation of these causes combined, the exchanges were kept easy for years, notwithstanding the vast expansion which our circulation had attained, from the powerful action of the more direct causes to which I have adverted. The stroke was delayed, but not averted, and fell but the heavier and more fatally, because delayed. And where did it fall, when it came, most heavily? Where the measure which caused it originated—on the heads of its projectors. Be-

hold how error, folly, and vice, in the ways of an inscrutable Providence, turn back on their authors!

It is full time for the North, and more especially for New England, to pause and ponder. If they would hear the voice of one who has ever wished them well, I would say, that the renewal of the protective system would be one of the greatest calamities that could befall you. Whatever incidental good could be derived from it, you have already acquired. It would, if renewed, prove a pure, unadulterated evil. The very reverse is your true policy. The great question for you to decide is, how to command the foreign market. The home market, of itself, is too scanty for your skill, your activity, your energy, your unequalled inventive powers, your untiring industry, your vastly increased population, and accumulated capital. Without the foreign market, your unexampled march to wealth and improvement must come to a stand. How, then, are you to obtain the command of the foreign market? That is the vital question.

The first and indispensable step is a thorough reformation of the currency. Without a solid, stable, and uniform currency, you can never fully succeed. The present currency is incurably bad. It is impossible to give it solidity or stability. A convertible bank currency, however well regulated, is subject to violent and sudden changes, which must for ever unfit it to be the standard of value. It is by far the most sensitive of all to every change, commercial or political, foreign or domestic, as may be readily illustrated by reference to the ordinary action of foreign exchanges on such currency. For this purpose, let us assume that our ordinary circulating medium, when exchanges are easy, amounts to $100,000,000, consisting, as it does, of convertible bank paper. Let us suppose that it is all issued by what are called sound specie-paying banks, with a circulation of three dollars of paper for one dollar in specie, which is regarded as constituting safe banking. Next, suppose exchange abroad turns against us,

to the amount of $10,000,000. Is it not clear, that instead of reducing the circulation by that amount, that is, to $90,000,000, which it would do if it consisted only of specie, it would be reduced three times the amount; that is, to $70,000,000? Let us now suppose the exchange to turn the other way, from this point of depression, and to be kept flowing in that direction till it came to be $10,000,000 in our favor, instead of that amount against us. The result would be, under the operation of the same law, not to increase our circulation to $110,000,000 only, which would be the case if consisting of specie, but to $130,000,000; making a difference between the extreme points of depression and elevation of $60,000,000—more than equal to one-half of the usual amount of circulation by supposition, with a corresponding increase of prices—instead of $20,000,000,—equal only to a fifth, and with but a proportional effect on prices. A change the other way, from the extreme point of elevation to that of extreme depression, would cause the reverse effect. I hold it certain, that no honest industry, pursued with the view to moderate and steady profit, can be safe in the midst of such sudden and violent vicissitudes—vicissitudes as if from summer to winter, and from winter to summer, without the intervention of fall or spring. Such great and sudden changes in the standard of value must be particularly fatal with us, with our moderately accumulated capital, compared to the effect on the greater accumulation abroad, in older countries. In stating the case supposed, I have assumed numbers at random, without pretending to accuracy as applied to our country, simply to illustrate the principle. The actual vibration may be greater or less than that supposed; but in every country where bank circulation prevails, it must be greater and greater, just in proportion to the extent of its prevalence.

For this diseased state of your currency, there is but one certain remedy—to return to the currency of the constitu-

tion. Read that instrument, and hear what it says: "Congress shall coin money, and regulate the value thereof. No State shall emit bills of credit, or make any thing but gold and silver a legal tender." Here are positive and negative provisions; a grant of power to Congress, and a limitation on the power of the States, in reference to the currency. Can you doubt that the object was to give to Congress the control of the currency? What else is the meaning of "to regulate the value thereof?" Can you doubt that the currency was intended to be specie? What else is the meaning of "*to coin money?*" Can you doubt, on the other hand, that it was the intention that the States should not supersede the currency which Congress was authorized to establish? What else is the meaning of the provisions that they shall not issue bills of credit, or make any thing but gold and silver a legal tender? Can we doubt, finally, that the country is not in the condition that the constitution intended, as far as the currency is concerned? Does Congress, in point of fact, regulate the currency? No. Does it supply a coin circulation? No. Do the States, in fact, regulate it? Yes. Does it consist of paper, issued by the authority of the States? Yes. Is this paper, in effect, a legal tender? Yes; it has expelled the currency of the constitution, and we are compelled to take it or nothing. Well, then, as the currency is in an unconstitutional condition, the conclusion is irresistible that the constitution has failed to effect what it intended, as far as the currency is concerned; but whether it has failed by misconstruction, or the want of adequate provisions, is not yet decided. Thus much, however, is clear: that it is through the agency of bank paper that it has failed, and the power intended to be conferred on Congress over the currency has been superseded. But for that, the power of Congress over the currency would have been this day in full force, and the currency itself in a constitutional condition. Nor is it less clear that the consti-

tution cannot be restored, while the cause which has superseded it remains; and this presents the great question, How can it be removed? I do not intend to discuss it on this occasion. I shall only say, that the task is one of great delicacy and difficulty, requiring much wisdom and caution, and in the execution of which, precipitation ought to be carefully avoided; but when executed, then, and not till then, shall we have the solid, stable, and uniform currency intended by the constitution, and which is indispensable, not only to the full success of our manufactures, and all other branches of protective industry, but also to the safety of our free institutions.

The next indispensable step, to secure to the manufacturers the foreign market, is low duties and light burdens on productions; yes, as low and light as the wants of the Government will permit. The less the burden—the freer and broader the scope given to the products of our manufactures—the better for them. Above all, avoid the renewal of the protective system. It would be fatal, as far as the foreign market is concerned.

Its hostile effects I have already shown from the table of exports, and shall now, by a few brief remarks, prove that it must be so. Passing by other reasons, I shall present but one, but that one decisive. It has been shown that the effect of the protective system is to expand the currency in the manufacturing sections, until the increased price of production shall become equal to the duty imposed for protection, when the importation of the protected articles must again take place; that is to say, that its effects are to enable foreign manufacturers to meet ours in our own country, under the disadvantage of paying high additional duties. How, then, with that result, would it be possible for our manufacturers to meet the foreign fabrics of the same description abroad, where there can be no duty to protect them? There can be no answer. The reason is decisive.

I do not wish, in what I have said, to be considered the advocate of low wages. I am in favor of high wages; and agree that the higher the wages, the stronger the evidence of prosperity; provided (and that is the important point) they are so naturally, by the *effectiveness of industry*, and not in consequence of an inflated currency, or any artificial regulation. When I say the effectiveness of industry, I mean to comprehend whatever is calculated to make the labor of one country more productive than that of others. I take into consideration skill, activity, energy, invention, perfection of instruments and means, mechanical and chemical; abundance of capital, natural and acquired; facility of intercourse and exchanges, internal and external; and, in a word, whatever may add to the productiveness of labor. High wages, when attributable to these, are the certain evidence of productiveness, and are, on that account, and that only, the evidence of prosperity. It is easily understood. Just as such labor would command, when compared with the less productive, a greater number of pounds of sugar or tea—a greater quantity of clothing or food—in the same proportion would it command more specie, that is, higher wages, for a day's work. But, Sir, here is the important consideration: high wages from such a cause, *require no protection*—no, not more than the high wages of a man against the low wages of a boy—of man against women, or the skilful and energetic against the awkward and feeble. On the contrary, the higher such wages, the less the protection required. Others may demand protection against it—not it against others. The very demand of protection, then, is but a confession of the want of effectiveness of labor (from some cause) on the side that makes it; but, as a general rule, it will turn out that protection, in most cases, is a mere fallacy; certainly so when [redacted]effects are an artificial expansion of the currency. [redacted]ar are high wages from being the evidence of prosperity, in such cases, or, in fact, whenever caused by high

protection, high taxes, or any other artificial cause, it is the evidence of the very reverse, and always indicates something wrong, and a tendency to derangement and decay.

Having arrived at this conclusion, I will now hazard the assertion, that in no country on earth is labor, taking it all in all, more effective than ours; and especially in the Northern and Eastern portions. What people can excel our Northern and New England brethren in skill, invention, activity, energy, perseverance, and enterprise? In what portion of the globe will you find a position more favorable to a free ingress and egress, and facility of intercourse, external and internal, through the broad limits of our wide-spread country—a region surpassed by none, taking into consideration extent and fertility? Where will you find such an abundant supply of natural capital, the gift of a kind Providence; lands cheap, plenty and fertile; water power unlimited; and the supply of fuel, and the most useful of metals, iron, almost without stint. It is true, in accumulated capital, the fruits of past labor, through a long succession of ages, not equal to some other countries, but even in that, far from being deficient, and to whatever extent deficient, would be more than compensated by the absence of all restrictions, and the lightness of the burden imposed on labor, should our Government, State and General, wisely avail itself of the advantages of our situation. If these views be correct, there is no country where labor, if left to itself, free from restriction, would be more effective, and where it would command greater abundance of every necessary and comfort, or higher wages; and where, of course, protection is less needed. Instead of an advantage, it must, in fact, prove an impediment. It is high time, then, that the shackles should be thrown off industry, and its burden lightened, as far as the just wants of the Government may possibly [illegible]it. We have arrived at the manhood of our vigor. Op[illegible]e way—remove all restraints—take off the swaddling-cloth that bound

the limbs of infancy, and let the hardy, intelligent and enterprising sons of New England, march forth fearlessly to meet the world in competition, and she will prove, in a few years, the successful rival of Old England. The foreign market once commanded, all conflicts between the different sections and industry of the country would cease. It is better for us and you, that our cotton should go out in yarn and goods, than in the raw state; and when that is done, the interests of all the parts of this great Confederacy—North, East, South, and West—with every variety of its pursuits, would be harmonized; but not till then.

If the course of policy I advocate be wise as applied to manufacturers, how much more strikingly so must it be when applied to the other two great interests of that section, commerce and navigation? I pass the former, and shall conclude what I intended to say on this point with a few remarks applicable to the latter. Navigation (I mean that employed in our foreign trade) is essentially our outside interest, exposed to the open competition of all the world. It has met, and met successfully, the competition of the lowest wages, not only without protection, but with heavy burdens on almost every article that enters into the outfit, the rigging, and construction of our noble vessels, the timber excepted. If, with such onerous burdens, it has met in successful rivalry the navigation of all other countries, what an impulse it would receive if the load that bears down its springs were removed! and what immense additions that increased impulse would give, not only to our wealth, but to the means of national influence and safety, where only we can be felt, and in the quarter from which only external danger is to be apprehended!

I have now, Mr. President, concluded what I proposed to say, when I arose to address the Senate. I have limited my remarks to the prominent consequences, in a pecuniary and fiscal view, which would result, should the scheme of

assumption be adopted. There are higher, and still more important consequences, which I have not attempted to trace; I mean the effects, morally and politically, as resulting from those which I have traced, and presented to the Senate. This, I hope, may be done by some other Senator, in the course of the discussion. But I have said enough to show that the scheme which these resolutions are intended to condemn, ought to be avoided as the most fatal poison, and the most deadly pestilence. It is, in reality, but a scheme of plunder. Let blood be lapped, and the appetite will be insatiable.

But the States are deeply in debt, and it may be asked what shall be done? I know that they are in debt—deeply in debt. I deplore it. Yes, in debt, I am not afraid to assert it, in many instances, for the most idle projects, got up and pursued in the most thoughtless manner. Nor am I ignorant how deep pecuniary embarrassments, whether of States or individuals, blunt every feeling of honest pride, and deaden the sense of justice; but I do trust, that there is not a member of this great and proud Confederacy, so lost to every feeling of self-respect and sense of justice, as to desire to charge its individual debts on the common fund of the Union, or to impose them on the shoulders of its more prudent associates; or, let me add, to dishonor itself, and the name of an American, by refusing to pay the foreigner what it justly owes. Let the indebted States remember in time, that there is but one honest mode of paying their debts; stop all further increase, and impose taxes, to discharge what they owe. There is not a State, even the most indebted, with the smallest resources, that has not ample resources to meet its engagements. For one, I pledge myself; South Carolina is also in debt. She has spent her thousands in wasteful extravagance on one of the most visionary schemes that ever entered into the head of a thinking man. I dare say this even of her; I, who on this floor stood up to defend her almost

alone against those who threatened her with fire and sword, but who now are so squeamish about State Rights, as to be shocked to hear it asserted that a State is capable of extravagant and wasteful expenditures. Yes, I pledge myself that she will pay punctually every dollar she owes, should it take the last cent, without inquiring whether it was spent wisely or foolishly. Should I in this be by possibility mistaken—should she tarnish her unsullied honor, and bring discredit on our common country, by refusing to redeem her plighted faith (which I hold impossible), deep as is my devotion to her, and mother as she is to me, I would disown her.

REMARKS

On the Right of Petition, delivered in the Senate, February 13th, 1840.

[Mr. Clay of Kentucky, having presented an abolition petition, signed by a single individual, and accompanied its presentation with some remarks—]

Mr. Calhoun said he rose to express the pleasure he felt at the evidence which the remarks of the Senator from Kentucky furnished of the progress of truth on the subject of abolition. He had spoken, with strong approbation, of the principle laid down in a recent pamphlet, that two races, of different character and origin, could not coexist in the same country, without the subordination of the one to the other. He was gratified to hear the Senator give assent to so important a principle, in application to the condition of the South. He had himself, several years since, stated the same, in more specific terms; that it was impossible for two races, so dis-

similar in every respect as the European and African, that inhabit the Southern portion of this Union, to exist together in nearly equal numbers, in any other relation than that which existed there. He also added, that experience had shown that they could so exist in peace and happiness there, certainly to the great benefit of the inferior race; and that to destroy it, was to doom the latter to destruction. But he uttered these important truths then in vain, as far as the side to which the Senator belongs is concerned.

He trusted the progress of truth would not, however, stop at the point to which it has arrived with the Senator, and that it will make some progress in regard to what is called the right of petition. Never was a right so much mystified and magnified. To listen to the discussion, here and elsewhere, you would suppose it to be the most essential and important right: so far from it, he undertook to aver that, under our free and popular system, it was among the least of all our political rights. It had been superseded, in a great degree, by the far higher right of general suffrage, and by the practice, now so common, of instruction. There could be no local grievance but what could be reached by these, except it might be the grievance, affecting a minority, which could be no more redressed by petition than by them. The truth is, that the right of petition could scarcely be said to be the right *of a freeman*. It belongs to despotic governments more properly, and might be said to be the last right of slaves. Who ever heard of petition in the free states of antiquity? We had borrowed our notions in regard to it from our British ancestors, with whom it had a value, for their imperfect representation, far greater than it has with us; and it is owing to that it has a place at all in our constitution. The truth is, that the right has been so far superseded, in a political point of view, that it has ceased to be what the constitution contemplated it to be—a shield to protect

against wrongs; and has been perverted into a sword to attack the rights of others—to cause a grievance, instead of the means of redressing grievances, as in the case of abolition petitions. The Senator from Ohio (Mr. Tappan) has viewed this subject in its proper light, and has taken a truly patriotic and constitutional stand in refusing to present these firebrands, for which I heartily thank him, in the name of my State. Had the Senator from Kentucky followed the example, he would have rendered inestimable service to the country.

[Mr. Tallmadge said that his views of the right of petition had been submitted heretofore, but he could not permit the remarks of the Senator from South Carolina to pass without remark. The Senator had said that we had derived this right of petition from England anterior to our struggle with that country, and that it had been superseded, and rendered of trivial importance, by the right of suffrage. It had been always considered a matter of the highest importance, both before the Revolution and since that event—from the first struggle of liberty in this country down to the present time. In proof of this he referred to the sentiments on the subject which pervaded all the public meetings immediately previous to and during the Revolution, and which were expressed in their resolutions and reports. With the same object, also, he referred to that amendment to the constitution which guards the right, and prohibits Congress from doing any thing to abridge it. This was one of the amendments, the adoption of which was made by New-York an express condition antecedent to her ratification of the constitution; which event was principally to be ascribed to the talents and eloquence of Alexander Hamilton, who was described on this floor the other day as being a man of only second-rate abilities, and an imitator. The right of petition went behind the constitution. The citizen has a right to petition even for that which Congress is prohibited by the constitution from granting. They may petition for an alteration of the constitution, so that you may be enabled to grant it to them. His views on abolition were not changed; but he said, and said four years ago, if they had not resisted the right of petition, there would have been infinitely less of abolition than had been.]

MR. CALHOUN. The Senator who has just taken his seat, has assigned a very sensible reason why our ancestors, who framed the constitution, placed so high a value on the right of petition. It performed a prominent part in the contest leading to the Revolution. Then we were subject colonies, and, as far as the Government of Great Britain was concerned, had no other mode of being heard but by petition. We had no representation in Parliament. But the case is different now. Our Government, in every department, is under popular control. The people have a right to speak directly to their public functionaries; and it is absurd to say, under this changed condition, that the right is as important as it was then, when it was our only weapon,—and that the right is so sacred as to be without limitation. I ask the Senator whether he is ready to carry out his theory of the right. I put these questions to him: Would he present a petition that vilified this body, or any of the individuals of which it is composed? or would he present a petition to legalize murder? I wish an answer to these questions.

[MR. TALLMADGE. The Senator asks, would I present a petition that would vilify this body. I tell him I would not. Self-defence would prevent me. As to a petition to abolish the Christian religion, I do not think there would be much harm in the presentation, if he could have it presented to a committee of which the Senator would be chairman.]

MR. CALHOUN. Will the Senator go home and tell his constituents that he is ready to present a petition to abolish Christianity? If so, and I do not mistake their character, they would soon abolish him and his right of petition. But he has acknowledged that the right has limitation. He would not present one vilifying this body or its members, because self-defence would not permit it. But why not receive it, and put it down by a report, as he proposes in the case of Christianity? Again: is the principle of self-defence lim-

ited to this body? Is not the defence of religion, morals, the constitution, and the character and rights of your constituents and the State you represent, as important as that of the defence of ourselves? And why not meet the one at least as promptly and indignantly as the other? Why not close the door, on the principle of self-defence, equally against all? It is useless to attempt concealment. The presentation of these incendiary petitions is itself an infraction of the constitution. All acknowledge—the Senator himself—that the property, which they are presented here to destroy, is guaranteed by the constitution. Now, I ask, if we have the right under the constitution to hold the property (which none question), have we not also the right to hold it under the same sacred instrument *in peace and quiet?* Is it not a direct infraction, then, of the constitution, to present petitions here, in the common council of the Union, and to us, the agents appointed to carry its provisions into effect, and to guard the rights it secures, the professed aim of which is to destroy the property guaranteed by the instrument? There can be but one answer to these questions on the part of those who present such petitions; that the right of such petition is higher and more sacred than the constitution and our oaths to preserve and to defend it. To such monstrous results does the doctrine lead.

Sir, I understand this whole question. The great mass of both parties to the North are opposed to abolition: the Democrats almost exclusively; the Whigs less so. Very few are to be found in the ranks of the former; but many in those of the latter. The only importance that the abolitionists have, is to be found in the fact, that their weight may be felt in elections; and this is no small advantage. The one party is unwilling to lose their weight, but, at the same time, unwilling to be blended with them on the main question; and hence is made this false, absurd, unconstitutional, and dangerous collateral issue on the right of petition. Here

is the whole secret. They are willing to play the political game at our hazard and that of the constitution and the Union, for the sake of victory at the elections. But to show still more clearly how little foundation there is in the character of our Government for the extravagant importance attached to this right, I ask the Senator what is the true relation between the Government and the people, according to our American conception? Which is principal and which agent? which the master and which the servant? which the sovereign and which the subject? There can be no answer. We are but the agents—the servants. We are not the sovereign. The sovereignty resides in the people of the States. How little applicable, then, is this boasted right of petition, under our system, to political questions? Who ever heard of the principal petitioning his agent—of the master, his servant—or of the sovereign, his subject? *The very essence of a petition implies a request from an inferior to a superior.* It is not, in fact, a natural growth of our system. It was copied from the British Bill of Rights, and grew up among a people whose representation was very imperfect, and where the sovereignty of the people was not recognized at all. And yet even there, this right so much insisted on here, as being boundless as space, was restricted from the beginning, by the very men who adopted it in the British system, in the very manner which has been done in the other branch, this session; and to an extent far beyond. The two Houses of Parliament have again and again passed resolutions against receiving petitions even to repeal taxes; and this, those who formed our constitution well knew, and yet adopted the provision almost identically contained in the British Bill of Rights, without guarding against the practice under it. Is not the conclusion irresistible, that they did not deem it inconsistent with the right of "the citizens peaceably to assemble and petition for a redress of grievance," as secured in the Constitution? The thing is clear. It is time that the truth should be

known, and this cant about petition, not to redress the grievances of the petitioners, but to create a grievance elsewhere, be put down.

[After some discussion, in which Messrs. Brown, Tallmadge, Buchanan, Webster, Smith, and Clay took part, Mr. Calhoun rejoined:—]

I rise to say that I have heard the remarks of the Senator who has just concluded (Mr. Clay) with deep regret. I make no impeachment of motive, but am compelled to say that what he has said, and the course he so strongly recommends in regard to these petitions, are calculated, especially at this moment, to do much harm. If we should have the folly to adopt it, to receive these slanderous and incendiary petitions, to take jurisdiction over the subject, and to argue the case with their authors, as the Senator advises, it would, in the end, prove fatal to us. I know this question to the bottom. I have viewed it under every possible aspect. There is no safety but in prompt, determined, and uncompromising defence of our rights—to meet the danger on the frontier. There all rights are strongest, and more especially this. The moral is like the physical world. Nature has incrusted the exterior of all organic life, for its safety. Let that be broken through, and it is all weakness within. So in the moral and political world. It is on the extreme limits of right that all wrong and encroachments are the most sensibly felt and easily resisted. I have acted on this principle throughout, in this great contest. I took my lessons from the patriots of the Revolution. They met wrong promptly, and defended right against the first encroachment. To sit here, and hear ourselves and constituents, and their rights and institutions (essential to their safety), assailed from day to day—denounced by every epithet calculated to degrade and render us odious; and to meet all this in silence, or, still worse, to reason with the foul slanderers, would eventually destroy every feeling of pride and dignity,

and sink us, in feelings, to the condition of the slaves they would emancipate. And this the Senator advises us to do. Adopt it, and the two Houses would be converted into halls to debate our rights to our property, and whether, in holding it, we were not thieves, robbers, and kidnappers; and we are to submit to this in order to quiet the North! I tell the Senator that our Union, and our high moral tone of feeling on this subject at the South, are infinitely more important to us than any possible effect that his course could have at the North; and that, if we could have the weakness to adopt his advice, it would even fail to effect the object intended.

It is proper to speak out. If this question is left to itself, unresisted by us, it cannot but terminate fatally to us. Our safety and honor are in the opposite direction—to take the highest ground, and maintain it resolutely. The North will always take position below us, be ours high or low. They will yield all that we will, and something more. If we go for rejection, they will at first insist on receiving, on the ground of respect for petition. If we yield that point, and receive petitions, they will go for reference, on the ground that it is absurd to receive and not to act, as it truly is. If we go for that, they will next insist on reporting and discussing; and, if that, the next step will be to make concession—to yield the point of abolition in this district; and so on, till the whole process is consummated, each succeeding step proving more easy than its predecessor. The reason is obvious. The abolitionists understand their game. They throw their votes to the party most disposed to favor them. Now, Sir, in the hot contest of party in the Northern section, on which the ascendency in their several States and the General Government may depend, all the passions are roused to the greatest height in the violent struggle, and aid sought in every quarter. They would forget us in the heat of battle; yes, the success of the election, for the time, would be more important than our safety, unless we, by our determined

stand on our rights, cause our weight to be felt, and satisfy both parties that they have nothing to gain by courting those who aim at our destruction. *As far as this Government is concerned, that is our only remedy.* If we yield that, if we lower our stand to permit partisans to woo the aid of those who are striking at our interests, we shall commence a descent, in which there is no stopping place short of total abolition, and with it our destruction.

A word in answer to the Senator from Massachusetts (Mr. Webster). He attempted to show that the right of petition was peculiar to free governments. So far is the assertion from being true, that it is more appropriately the right of despotic governments; and the more so, the more absolute and austere. So far from being peculiar, or congenial, to free popular states, it degenerates under them, necessarily, into an instrument, not of redress for the grievances of the petitioners, but, as has been remarked, of assault on the rights of others, as in this case. That I am right in making the assertion, I put it to the Senator—have we not a right, under the constitution, to our property in our slaves? Would it not be a violation of the constitution to divest us of that right? Have we not a right to enjoy, *under the constitution, peaceably and quietly, our acknowledged rights guaranteed by it,* without annoyance? The Senator assents. He does but justice to his candor and intelligence. Now, I ask him, how can he assent to receive petitions, whose object is to annoy and disturb our right, and, of course, in direct infraction of the constitution?

The Senator from Ohio (Mr. Tappan), in refusing to present these incendiary and unconstitutional petitions, has adopted a course truly constitutional and patriotic, and, in my opinion, the only one that is so. I deeply regret that it has not been followed by the Senator from Kentucky in the present instance. Nothing short of it can put a stop to the mischief, and do justice to one-half of the States of the Union.

If adopted by others, we shall soon hear no more of abolition. The responsibility of keeping alive this agitation, must rest on those who may refuse to follow so noble an example.

REMARKS

On the Motion of Mr. Benton to print certain documents connected with the Manufacture of Salt, &c.; made in the Senate, February 14th, 1850.

[Mr. Benton from the Committee on Finance, to which had been referred the following documents connected with the duties on salt and fishing bounties:—

1. Thirty queries on the salt trade, and salt manufacture in the West, addressed to his constituents by Mr. Benton of Missouri, with their answers thereto, showing the monopoly, adulteration, deficient bushel, restricted allowance, stinted quantity, and extortionate price of salt in Missouri, and the necessity of the free admission of foreign salt.

2. A communication from the Democratic State Convention in Missouri; from the Hon. Mr. Miller of Missouri; from the Hon. Mr. Chapman of Iowa; from Judge King of Missouri, showing the monopoly, adulteration, extortionate price, and other abuses in the salt trade; and the connection of several banks with the said monopoly and abuses.

3. A general statement of the salt manufactories in the United States and their products, and cost of their salt at their works; with a particular account of the salt works in New England, in New-York, at the Kanawha, and on the Holston, in Virginia, and of the import of foreign salt at New Orleans.

4. Statistics of salt, showing its localities, diffusion, abundance, and universality; its various forms, both liquid and solid; its different qualities; its manufacture; its cheapness of first cost; its uses in the animal economy, in agriculture, in different branches of rural economy, and in the useful arts; its vast consumption; the tendency of monarchical governments to tax it oppressively, both in ancient and in modern times; the repugnance of the people to the tax in all ages; its final abolition in many countries; compiled from English, French, and American Encyclopedias, and other authentic sources.

On this motion a debate arose, which was marked by great excitement, and in which a large number of Senators participated. Mr. Calhoun near the close of the discussion rose and said:—]

THAT as the question was about to be put, he desired to make a few remarks on the motion, before he gave his vote. In the first place, he wished to know from the Chairman of the Committee of Finance (Mr. Wright) whether the proposition to print these papers at this time, is intended to have any practical bearing; or, in other words, is it the intention of that committee to report the bill now before it, to repeal the duty on salt, for the action of the Senate this session?

[The answer of Mr. Wright not being very definite, Mr. C. continued:]

I understood from the declaration of the Senator who introduced the bill (Mr. Benton), that it was intended to press the passage of the bill this session.

[Mr. Benton said, yes.]

Well, then, I shall vote against the printing, because, among other reasons, I am opposed to the repeal, or any other action on the subject, at this time. According to my view of your finances, we shall have not a cent to spare. The most rigid economy will scarcely be sufficient to carry us through the year without borrowing, or what is the same in effect, resorting to our own credit; and if the duty on salt should be repealed, the deficit would have to be made up by laying a corresponding duty on something else, or borrowing money to make good the deficit, to either of which I am opposed. I ask the Chairman if my impression as to the state of the treasury, and what must be the consequence of a repeal of the duty, is not correct?

[Mr. Wright assented.]

I now ask the Senators from that portion of the Union,

for whose benefit it is proposed to make the repeal, and through which the Cumberland road passes, whether they are prepared to vote the burden off their shoulders, at this time, and to ask us, in the next breath, to borrow money to carry on that road for their accommodation? I hope not; and, if not, that they will add their vote against the useless expenditure, at this time, of printing these papers.

But, Sir, this is not my only objection to the repeal, even if it should be found to be expedient when the question comes fairly before us, as it must in a short time. The Compromise Act is taking off the duty on salt as rapidly as the interests of commerce and the community will permit. It is now about six cents the bushel, and will be reduced, in the course of the next two years, to two cents the bushel, making the reduction, at the end of the period, compared to what it is at this time, equal to 100 per cent. per annum, which is sufficiently rapid, one would suppose, to satisfy the warmest friend of repeal; and certainly as rapid as is consistent with sound commercial principles. I need not tell the most ignorant of the laws of trade, that all sudden transitions are ruinous to the regular and fair trader, as well as injurious to the general interest of the community, and ought to be carefully avoided, even where the change is, in the end, expedient.

There is another decisive objection, not only against the repeal at this time, but the agitation of the subject itself. It is well known that there must be a general revision of the duties on imports at this or the next session, under the Compromise Act, which ceases to operate in 1842. It is vastly important that the adjustment to be made should be such as will place the system of duties on the most equal and permanent basis, looking to the general interest of the country in the broadest light. To do this, we must come to the great work calmly and dispassionately, with the whole subject before us, free from previous sectional agitation or commitment as to the articles in regard to which the several portions of

the Union may be particularly interested. It is thus only that the whole subject may be fairly considered, and satisfactorily adjusted. Every one, who knows any thing of the difficulty of the task, must feel and acknowledge the correctness of these views; and I would now ask, is it fair for any one portion of the Union to ask to be relieved of its burden, in advance of the rest? Would it not give it an advantage, when the general adjustment comes under consideration? And is the West disposed to seize on such advantage at this time? Would it be either right or manly in her to ask this concession from the other portions of the Union at this time? We must not deceive ourselves. If salt is to be exempt from duty, some other article must bear an additional tax; and as a Southern man, deeply interested in this question, I would wish to know, when it is taken off salt, on what other article it is to be laid. Is it to be laid on iron, or cotton bagging, or some other articles as objectionable at least as that on salt, objectionable as that is to us? These questions, so deeply interesting to us, can be answered, practically and satisfactorily, only on a general revision, to which time, justice, equity, and fairness, demand that the subject should be postponed. The delay can be no serious injury to any interest, more especially as the duty is going off as fast as it ought, on sound principles.

But it may be said that the information contained in these papers is calculated to throw light on the necessity of repealing the salt duty, and that they ought to be printed, to enable us to act with intelligence when the general subject of revision shall come up. Admit that they are so calculated, I still object to their being printed, even in that view, at this time; because it is plainly an attempt to forestall public opinion, on a single article, said to be particularly oppressive in one portion of the country, in order to give it an advantage over all others, when we come to the general discussion. I am, Sir, against all forestalling as unfair and injurious

whether it be forestalling of public opinion as to the repeal of the salt duty, or the forestalling the article itself, of which the mover so loudly complains. Of the two, the former may prove by far the most exceptional and injurious, if it should contribute to prevent a fair and satisfactory adjustment of the duties.

But, Sir, if I had no other objection to the printing of these papers, there is one, growing out of their character, if I understand their contents correctly, which, with me, is decisive. I know nothing of their contents, except as drawn from the statement of the Senator himself. I infer from it that a large portion consists of correspondence and other evidence, calculated to show that the manufacturers of domestic salt, who supply the West with the article, are guilty of the most odious monopoly, fraud, imposition, and oppression, for which reason it is proposed to repeal the duty on the imported article. I confess I do not see how the repeal of the small duty still remaining, and the still smaller that will, after a short period, remain, can have the effect intended; but, be that as it may, I utterly oppose the principle on which it is proposed to place the repeal, and cannot give it the countenance which the voting for the printing of the papers would give. The principle involved, according to my conception, is precisely the same as that contained in the bill of the Senator from Kentucky, which was condemned by so decided a vote of this body at the last session. What did that bill propose? That the President should dismiss Federal officers who should interfere in elections. And on what principle was it voted down? That the right of suffrage was a reserved right, left by the constitution under the regulation of the States respectively; and that it belonged to them, and not to us, to say who should and who should not vote, and under what regulations they should vote; and that it was not for us to supply any supposed defect, or omission, on the part of the States, in the exercise of their power. This was the solid

basis, on which we rested our objection to the bill, and on which it was voted down by so strong a vote. Now, Sir, if we turn to this case, we shall find, if I mistake not, the same principle apply with equal force. The salt works, with their production, and those employed in them, are under the exclusive legislation of the States within which they lie, and are exclusively subject to their regulation, as is the right of suffrage. This no one will deny. If, then, there be monopoly, fraud, imposition, or oppression in their management, it belongs clearly to the States, where the works are, to correct the abuse, and not this Government. None will deny this. In fact, the Senator himself acknowledged this, when he asserted that the State was competent to make the acts of which he complains, and which he proposes to establish by these papers, a felony. I now ask what greater right have we to assume in this case that the States have neglected or omitted to do their duty, than in the case of the right of suffrage; and, on that supposition, to modify our legislation so as to remedy the evil, and punish the supposed delinquents? Can any one point out any distinction in the two cases? How, then, could we reconcile our vote at the last session with a vote that would give countenance to the principle proposed to be established by these papers? I protest solemnly against an act that could lead to such an inference. If the duty on salt ought to be repealed on financial principles or considerations of general expediency, let it be repealed. In that case, these papers would not be worth a farthing. But if not—if the repeal is to be placed on the supposed defect, or omission of duty, on the part of the States, a more dangerous and unconstitutional ground could not be assumed. It would make this Government the supervisor of the State Governments. If these papers have any value at all, they ought to be sent to the Legislature of Virginia, now in session, which only is competent to correct the supposed abuses of the salt establishments on the Kanawha and

elsewhere within her limits, and which constitute the main object of their attack. As great as would be the unconstitutionality of ordering them to Richmond, to be laid before the Legislature of Virginia, I would consider it far less so than to make them the basis of our legislation.

With a few remarks on a single point, I shall close what I intend to say. It is proposed, with the repeal of the duty on salt, to repeal the fishing bounties, which, it is alleged, originated in the former. I do not intend to enter into that question; I leave it to others to decide on their origin. I place my refusal to a repeal of these bounties, at this time, on a wholly different basis. The great navigating, like the planting interest, has felt the heavy hand of your protective system. It has had, like the planting interest, to meet foreign competition abroad, not only without protection, but under the weight of oppressive duties, many of which still remain. I, for one, whether the fishing bounties are right or wrong in the abstract, will not agree to repeal them till you are prepared to do justice to that great interest. Take off your duties on iron, on hemp, and on lead, which fall so heavily on it, and then I shall be prepared to consider the expediency of repealing those bounties, but not before. Justice and equity are higher considerations than expediency. I stand up for them. While I insist on justice for the interest I represent, I would be ashamed to stand by and see injustice done to any other; and in this, I feel assured, I but speak the sentiments of those I represent.

[Mr. Benton here said, he could answer the question put to the Chairman of the Committee on Finance (Mr. Wright) with more precision than he had done it. He held in his hand the answer of the Secretary of the Treasury to the question; for the Secretary had been applied to for information as to the operation of the Salt Bill on the finances. The answer shows it will save money—that it will save the treasury from loss. The bill is to repeal the salt tax and the fishing bounties, and allowances founded upon them. Now, the question is, what is the product

of the tax, and what the amount of the bounties and allowances? and the answer is here (holding up a sheet of paper). The answer is, that for this year the tax exceeds the bounties and allowances only by $110,000; and after 1842, when the Compromise Act takes full effect, will fall short of these bounties and allowances about the one-half! This was an effect of that act, passed through Congress without leave to amend it; and by which duties are reduced without a corresponding reduction of drawbacks and allowances founded upon them. But he would not go further into that subject at present: the time was at hand when he should show, with the proof in hand, the operation of that act, which was made out of doors, and rushed through Congress without allowing an *i* to be dotted, or a *t* to be crossed. Mr. Verplanck's bill to reduce and regulate the duties was baffled for months, that the administration should not have the credit of settling the question which the Presidential election had already decided; and while that bill was baffled in the House, another was concocted out of the House, which was not a settlement but an adjournment of the tariff question—which adjourned it from the time when the country was ready to settle it, to a time when they will not even be thinking about it!]

Mr. Calhoun. I rise simply to correct the erroneous statement of the Senator who has just taken his seat. He affirmed, as a fact, that the two extremes united to defeat the bill to reduce the tariff, introduced by Mr. Verplanck, in the session of 1832–3—meaning the advocates of the protective tariff and the State Rights men of the South. Now, Sir, I hold the journals of that session in my hand. I hastily turned to votes on the bill while the Senator was making his remarks. I have looked at two decided votes, in which the yeas and nays were called, on that occasion, the only ones that I had time to examine; and I find that Mr. McDuffie and my other friends, as far as I have had time to examine their names, voted with Mr. Verplanck himself, and I will leave it to the Senate to decide whether he opposed his own bill or not.

The truth is, the bill failed in spite of our support; and

its failure, notwithstanding the urgent necessity of avoiding civil conflict at the time, is proof conclusive, let who will say to the contrary, that nothing short of the means resorted to by South Carolina would have brought to the ground the odious and oppressive system against which it was pointed.

REMARKS

In reply to the Speech of Mr. Webster on the Report of the Select Committee, in reference to the Assumption of State Debts; made in the Senate, March 3d, 1840.

[The Report of the Select Committee on the assumption of the debts of the States being under consideration, and Mr. Webster having concluded his remarks, in opposition to the views and opinions expressed by Mr. Calhoun in his speech on the same subject a few weeks previously (Feb. 5th, 1840), the latter rose and said:—]

It affords me pleasure to say, that the Senator has discussed the questions on which he has touched, in a calm and liberal manner, worthy of their magnitude, and honorable to himself; and I sincerely hope that, when the general revision of the tariff, which must come up at the next session, shall be under consideration, the discussion will partake of the same temperate character. I, for one, pledge myself to meet the question with the utmost candor and fairness,—having a single eye to the common interest of the whole, as far as it may be consistent with justice to the parts. The first point which the Senator has made the subject of his remarks—that duties on exports and imports were virtually the same, as far as the staple States are concerned—was not advanced by me as an argument bearing on the portion of

my speech relating to the protective system, to which he has confined his reply. It was connected with another and dissimilar topic, and advanced, rather as the settled opinion of the South, than as an argument. But it is proper to say, since it has been questioned on this occasion, that my conviction of its truth is deep,—and that I shall be prepared to make it good whenever a suitable occasion offers. I do not regard the present as such, because its truth or error can have little bearing on the points now in discussion between us.

The next point which he made the subject of remark, is the position that, in the present state of our country, the effect of a protective tariff is to expand the currency in the manufacturing portion of the Union, till the increased expense of production, in consequence of the expansion, becomes equal to the protection,—when protection ceases against foreign importation, and new duties are required.

I am willing to leave the argument on this important position where it now stands between the Senator and myself, and shall confine what I have to say to one or two points incidentally connected with it. I, then, entirely concur with the Senator, that the imports and exports of a country —taking a series of years, and allowing for the profit and loss of trade—must be equal ; but there is another position, the counterpart of this, which, though not less true, is not so generally seen or admitted :—that the amount of the exports must, in the long run, be limited by that of the imports. None will deny that, if we are not permitted to import, we cannot long continue to export, unless indeed we should be willing to give away the products of our labor.

So again, if we are not permitted to import more than a given amount in value, annually,—say forty millions, our exports, on the same principle, in the end, will sink to the same point. Again : if the great and leading articles of consumption are prohibited, or admitted only on the payment

of extravagant duties, so as to diminish the amount of the imports, it must have a corresponding effect on that of the exports. Now, I ask, what must be the effect of this principle applied to a protective tariff, in the present state of our export trade? Our export of home productions is about one hundred millions annually. Suppose an act should be passed, prohibiting all imports, except of gold and silver. Such an act could not prevent the shipment of our great staples—cotton, tobacco, and rice. We make more than can be consumed at home, and the surplus must be sent abroad, however great might be the fall of price, and the sacrifice in consequence of such an act. Put down the full amount at one-half, there would still be an importation of forty or fifty millions in specie; and what, I ask, would be the effect of so large a supply, but a corresponding expansion of the currency and rise of prices? But suppose, instead of such an act, one should be passed prohibiting a greater amount of imports than one-half of the usual quantity, would not a proportional expansion and rise of prices follow? And must not the effect be the same if, instead of prohibition, high duties were laid,—amounting almost to prohibition on most of the leading articles of consumption,—equalling in value one-half of the usual importation? And, finally, would not the specie, imported in consequence of such an act, centre in that portion of the country, where such articles were manufactured, and be followed there by a corresponding rise of prices?

The argument, it seems to me, is irresistible, and, of itself, establishes the position which the Senator controverts. If, to this, the fact be added, that the table of exports and imports, and the history of the protective system, correspond, in every particular, with the operation I have deduced from it, the argument, as a necessary consequence, appears to be conclusive. These tables will show that, just as duties were imposed or repealed, the exports decreased or increased;—so much so, that after the great reduction in 1833, the exports

of the great staples nearly doubled in four years; and that of domestic manufactures rose sixty-six per cent. in six. In speaking of the exports of our great staples, although I referred to the exports to foreign countries, I might have shown that the increase was not at the expense of the home market. So far otherwise, if I am not greatly deceived, their exports North increased at the same time, but not in the same proportion.

The Senator seemed to doubt whether the tariff of 1828 increased wages. I had no means of ascertaining the fact from documentary evidence, but think it impossible that the vast increase of the currency which the tables show, took place in the manufacturing portion of the Union, after that tariff, could fail to raise prices generally there, including wages. I well remember that a former Senator from Pennsylvania (Mr. Wilkins), who resided in Pittsburg, informed me in a conversation, that blacksmiths' wages were double there, in consequence of that measure.

I cheerfully admit, with the Senator, that the home market is preferable to the foreign. It has many advantages; and, among them, I would prefer it on the ground, that whatever might be gained by converting our raw materials into goods, would accrue to our brethren of the North, rather than to strangers; provided it be not done by sacrificing our interest. But how is this to be effected? Our great staples are too abundant to be consumed at home. Take, for instance, cotton. If every yard of cotton goods consumed in the United States was the product of our own manufactures, it would not take more than four hundred thousand bales to supply the home demand; that is, but one-fifth of the amount produced; which cannot be less than two million bales, including what is consumed at home. What is to be done with the other four-fifths? We must cease to produce it, or it must be consumed abroad. The effect of a high tariff is to curtail the production; but this only tends to

diminish our capacity to consume, by impoverishing us; thus causing a conflict between our interests and those of the manufacturing portion of the Union. How is this conflict to be avoided, and the interests of all parties reconciled? This is the great problem. I see but one way; and that is, for our manufactures to command the foreign market,—when our cottons would be shipped in the shape of yarns and goods, instead of the raw state. This we would greatly prefer. But how is this to be accomplished, except by a sound, stable, and uniform currency, and low duties, as I explained when I addressed the Senate first upon the question? Such are my views, formed after much reflection. If I am in error, I am honestly so. Truth, and truth only, is my object, accompanied by an anxious desire to see the interests of this great country harmonized on just, fair, and liberal principles. It is impossible they can be on any other other.

I agree with the Senator, that currency is liable to be disturbed by many, and various, and powerful causes; some more, and others less permanent. I do not think that it has yet recovered from the effects of the long and exhausting wars, which terminated in the overthrow of the late Emperor of France. At its termination, the currency of Christendom was in an unsound and unnatural state, particularly in this country and Great Britain; in both of which, paper had superseded gold an silver. We were the first to resume specie payments, which gave the precious metals a direction to this country. Great Britain resumed some years after, when it took an opposite direction; and hence the heavy exports of specie in 1821, 1822, and 1823. The tariff of 1824 checked this, for a time, and that of 1828 gave the currency a direction hitherward again; which was followed by the operation of other and powerful causes, down to the late suspension—as I have shown in my remarks when I first spoke on the subject. But I feel assured that the expansion which followed the tariff of 1828, is truly to be at-

tributed to it,—not only because there was no other cause at the time to which it could be referred,—but because it was, of itself, adequate to produce the effect,—and because its duration and modification, in every particular, were such as might be expected from it.

I agree with the Senator as to the great importance of uniformity of prices; but am firmly of the opinion, that nothing short of the restoration of the currency contemplated by the constitution, and a surrender of the protective system, can insure the uniformity which he so justly appreciates.

Passing over the other remarks of the Senator, which I am willing to leave as they now stand between him and myself, I shall conclude by making a few observations on the objection he makes to the position, that low duties are favorable to the exportation of articles manufactured at home. He thinks that the increase of the exports of such articles, after the reduction of the duties in 1833, is not to be attributed to the reduction, but to the excessive previous importations from Europe, which compelled our manufacturers to get rid of their stock, by seeking a foreign market. Without admitting or denying the fact of such excess of importation of the foreign articles, at this time, a decisive answer to the objection may be found in the explanations afforded by the tables themselves. In the first place, the increase of the exports, as will appear by reference to the tables, was steadily progressive—each succeeding year being higher than the preceding, just as the duties went off; and the last year for which we have these returns (1838), the highest of all.

In the next place: the falling off under the tariffs of 1824 and 1828, followed almost as steadily the same law, throughout the long period of eight years; making, for the two periods taken together, fourteen years; which clearly shows that the cause is not to be found in any accidental

state of the market. But there is a third and conclusive reason;—that the great staples of the country followed the same law through both periods,—and to which the cause assigned by the Senator cannot apply. To this, if further proof be necessary, may be added the general argument already stated, that any limitation on the imports, whether by prohibition or high duties, must act as a limitation on the exports; and the fact is equally applicable to the staples and the home manufactures.

Let me now say, Mr. President, in conclusion, that I believe we have reached the point of time when the interest of every section of our wide-spread country—North, East, South, and West—may be reconciled, and the industry of the whole be placed on the firmest and most durable basis. What we want is calm and deliberate discussion, with a spirit to seek the truth, and to do equal justice to all.

I shall come to the question in this spirit myself; and if the discussion shall take a different character, the blame shall not lie at my door.

SPEECH

On his Resolution in respect to the Brig Enterprise, delivered in the Senate, March 13th, 1840.

[*In Senate, March* 13th, 1840. The following resolutions submitted by Mr. Calhoun on the 4th inst., were taken up for consideration:

Resolved, That a ship or vessel on the high seas, in time of peace, engaged in a lawful voyage, is, according to the laws of nations, under the exclusive jurisdiction of the State to which her flag belongs; as much so as if constituting a part of its own domain.

Resolved, That if such ship or vessel should be forced by stress of weather, or other unavoidable cause, into the port of a friendly power, she would, under the same laws, lose none of the rights appertaining

to her on the high seas; but, on the contrary, she and her cargo and persons on board, with their property, and all the rights belonging to their personal relations, as established by the laws of the State to which they belong, would be placed under the protection which the laws of nations extend to the unfortunate under such circumstances.

Resolved, That the brig Enterprise, which was forced unavoidably by stress of weather into Port Hamilton, Bermuda Island, while on a lawful voyage on the high seas from one port of the Union to another, comes within the principles embraced in the foregoing resolutions; and that the seizure and detention of the negroes on board by the local authority of the island, was an act in violation of the laws of nations, and highly unjust to our own citizens to whom they belong.

The resolutions having been read,]

MR. CALHOUN said: The case referred to in these resolutions, is one of the three which has been for so long a period a subject of negotiation between our Government and that of Great Britain, without, however, receiving the attention which, in my opinion, is due to the importance of the principle involved. The other two were those of the Comet and Encomium. In order to have a clear understanding of the bearing of these resolutions, and the principles they embrace, it will be necessary to give a brief narrative of each of these cases.

The Comet is the first in order of time. She sailed from this district in the latter part of the year 1830, destined for New Orleans, having among other things, a number of negroes on board. Her papers were regular, and the voyage in all respects lawful. She was stranded on one of the false keys of the Bahama Islands, opposite to the coast of Florida, and almost in sight of our own shores. The persons on board, including the negroes, were taken by the wreckers, against the remonstrances of the captain and owners, into Nassau, New Providence, where the negroes were forcibly seized and detained by the local authorities.

The case of the Encomium is in almost every particular similar. It occurred in 1834. She sailed from Charleston, des-

tined, also, to New Orleans, with negroes on board, on a voyage, in like manner lawful,—was stranded in the same place,—taken in the same way, into the same port, where the negroes were also forcibly seized and detained by the local authorities. It so happens that I am personally acquainted with the owners of the negroes in this case. They were citizens of North Carolina, of high respectability, one of them recently President of the State Senate ; and their negroes were shipped for New Orleans, with the view of emigration and permanent settlement in one of the Southwestern States.

The other is the case of the Enterprise, referred to in the resolutions. She sailed, in 1835, from this district, destined for Charleston, South Carolina, and, like the others, on a lawful voyage, with regular papers. She was forced, unavoidably by stress of weather, into Port Hamilton, Bermuda Island, where the negroes on board were, in like manner, forcibly seized and detained by the local authorities.

The owners of the negroes, after applying in vain to the local authorities for their surrender, made application to the Government for redress of injury : and the result, after ten years' negotiation, is, that the British Government has agreed to compensate the owners of the Comet and Encomium, on the ground that these cases occurred before the act for the abolition of slavery in her colonies had gone into operation, and refused compensation in the case of the Enterprise because it occurred afterwards.

Such are the material facts, drawn from the correspondence itself, and admitted in the course of the negotiation. What I propose, in the first place, is to show that the principle, on which compensation was allowed in the cases of the Comet and Encomium, embraces also that of the Enterprise ; that no discrimination whatever can be made between them ; and that in attempting to make a discrimination, the British Minister has assumed the very point in controversy, or, to express it in more familiar language, has begged the

question. I shall rest my argument exclusively on the admissions necessarily involved in the two cases, without looking to any other authority. They will be found, if I do not greatly mistake, ample of themselves for my purpose.

What, then, is the principle necessarily involved, in allowing compensation in those cases? It will not be necessary to show that the allowance was not a mere act of gratuity to our citizens. No one will suspect that. It was, on the contrary, reluctantly yielded, after years of negotiation, only on the conviction that the rights of our citizens in the negroes could no longer be disputed, and, of course, the injustice of their seizure and detention. This brings me to a question of vital importance in this discussion, to which I must ask the Senate to give me its fixed attention; and that is, On what did this right of our citizens to the negroes rest? Not certainly on the British laws, either expressed or implied. So far otherwise, they expressly prohibited, in the broadest and most unqualified terms, persons from being brought in, or retained as slaves, under heavy penalty and forfeiture of property; declared the persons offending to be felons, and subjected them to be transported beyond sea, or to be confined and kept at hard labor for a term of years.* But one answer can be given to the question: that it rested on the laws of their own country. It was only by them they could possibly have a right to the negroes. And here we meet the vital question—how is it that a right resting on our laws should be valid and respected within the limits of the British dominion, against the express prohibition of an act of Parliament.

The answer can only be found in the principles embraced in the first and second of these resolutions. The former affirms the acknowledged principle that a ship or vessel, on the high seas, in time of peace, and engaged in a lawful voy-

* See act to amend and consolidate the laws relating to the abolition of the slave trade, 5th sec. 4 c. p. 113. 6 vol. Evan's Statutes.

age, is, by the law of nations, under the exclusive jurisdiction of the state to which her flag belongs; and the second, that if forced by stress of weather, or other unavoidable cause, into a port of a friendly power, she would lose none of the rights appertaining to her on the high seas; but, on the contrary, she, with her cargo and persons on board, including their property and all the rights belonging to their personal relations, would be placed under the protection which the law of nations extends to the unfortunate in such cases.

It is on this solid basis that the rights of our citizens rested. The laws of nations, by their paramount authority, overruled, in those cases, the municipal laws of Great Britain, even within her territorial limits; and it was to their authoritative voice that her Government yielded obedience in compensating our citizens for the violation of rights placed under their sacred protection.

Having now established the principle necessarily implied in the allowance of compensation in the cases of the Comet and Encomium, it will be an easy task to show that it equally embraces the case of the Enterprise. It is admitted by the British Minister, that there is no other distinction between it and the other two, except that it occurred after, and the others before, the act abolishing slavery in the colonies went into operation; and it must, of course, be equally comprehended in the principles embraced in the first and second resolutions, in virtue of which compensation was made, as has been shown; unless, indeed, that act had the effect of preventing it, which I shall now show it could not, according to the law of nations.

A simple but decisive view will be sufficient for this purpose. I have just shown that the act of Parliament, for abolishing the slave trade, although it expressly prohibited the introduction of slaves within the limits of the British territory, or detaining them in that condition, when brought in, so far from overruling, was overruled by the principles

embraced in these resolutions. If that act did not overrule the laws of nations in those cases, how, I ask, could the act for the abolition of slavery in the colonies overrule them in a case in every essential circumstance acknowledged to be the same? Can a possible reason be assigned? The authority by which the two were enacted is the same, and the one as directly applicable to the case as the other. If, indeed, there be a difference, the one for the abolition of the slave trade is, of the two, the most applicable. That act directly prohibits the introduction of slaves within the British dominion, in the most unqualified manner,—or the retaining them, when introduced in that condition; while the object of the act for the abolition of slavery in the colonies, was to emancipate those who were such under the authority of the British laws. It is true, it abolishes slavery in the British dominions; but that is no more than had previously been done, as far as slaves brought into her dominions were concerned, by the act for abolishing the slave trade. And yet we see that act was overruled by the law of nations, in the case of the Comet and Encomium. How, then, is it possible that of two laws, enacted by the same authority, both being equally applicable, the one, when applied to the same case, should be overruled by the law of nations, and the other overrule it? It is clear that it is impossible; and that if the one cannot devest the rights of our citizens, neither can the other; and, of course, that the principle on which compensation was allowed in the cases of the Encomium and the Comet, equally embraces that of the Enterprise. Both acts were, in truth, but municipal laws; and, as such, neither could overrule the laws of nations, nor devest our citizens of their rights in the case under consideration. In the nature of things, the laws of nations, which have for their object the regulation of the intercourse of states, must be paramount to municipal laws, where their provisions happen to come into conflict. If not, they would be without authority. If this be so, there can be no dis-

crimination between the three cases, and all ought to be allowed; or, if not, none; and in that case, our citizens would have no just claim for compensation in either. It follows, that the principle which embraces one embraces all. There can be no just distinction between them; and I shall next proceed to show, that, in attempting to make a distinction where there is no difference, the British negotiator has been compelled to assume the very point in controversy between the two Governments. In doing this, I propose to follow his argument, step by step, and prove the truth of my assertion at each step.

He sets out with laying down the rule, by which he asserts that those claims should be decided, which, he says, "is, that those claimants must be considered entitled to compensation, who were lawfully in possession of their slaves within the British territory, and who were disturbed in the legal possession of those slaves by functionaries of the British Government." I object not to the rule. If our citizens had no right to their slaves, at any time after they entered the British territory—that is, if the mere fact of entering extinguished all right to them (for that is the amount of the rule)—they could of course have no claim on the British Government, for the plain reason that the local authority in seizing and detaining the negroes, seized and detained what, by supposition, did not belong to them. That is clear enough; but let us see the application: it is given in a few words. He says: "Now the owners of the slaves on board the Enterprise never were lawfully in possession of those slaves within the British territory;" assigning for reason, "that before the Enterprise arrived at Bermuda, slavery had been abolished in the British Empire"—an assertion which I shall show in a subsequent part of my remarks to be erroneous. From that, and that alone, he comes to the conclusion, "that the negroes on board the Enterprise had, by entering within the British jurisdiction, acquired rights which

the local courts were bound to protect." Such certainly would have been the case if they had been brought in, or entered voluntarily. He who enters voluntarily the territory of another state, tacitly submits himself, with all his rights, to its laws, and is as much bound to submit to them as its citizens or subjects. No one denies that; but that is not the present case. They entered not voluntarily, but from necessity; and the very point at issue is, whether the British municipal laws could divest their owners of property in their slaves on entering British territory, in cases such as the Enterprise, when the vessel has been forced into their territory by necessity, through an act of Providence, to save the lives of those on board. We deny they can, and maintain the opposite ground:—that the law of nations in such cases interposes and protects the vessel and those on board, with their rights, against the municipal laws of the state, to which they have never submitted, and to which it would be cruel and inhuman, as well as unjust, to subject them. Such is clearly the point at issue between the two Governments; and it is not less clear, that it is the very point assumed by the British negotiator in the controversy.

He felt, in assuming his ground, that the general principle was against him, according to which, the municipal laws yield to the laws of nations in such cases; and in order to take himself out of its operation, he attempted to make a distinction equally novel and untenable. He asserts, "that there is a distinction between laws bearing on the personal liberty of man, and laws bearing upon the property which man may claim in irrational animals or inanimate things;" and concedes, "that if a ship, containing such animals or things, were driven by stress of weather into a foreign port, it would be highly unjust that the owner should be stripped of what belongs to him, through the application of the municipal law of the state to which he had not voluntarily submitted himself." Yes, it would be both unjust and inhuman; and

because it would be so, it is contrary to the law of nations, which is but the rules of justice and humanity applied to the intercourse of nations; and, therefore, it is that it interposes in cases like the present, and places under its protection the rights of the unfortunate, even against the municipal laws of the place.

But he asserts that the principle does not extend to the cases in which rights of property in persons are concerned (for such must be the meaning, or it is wholly irrelevant to the question at issue), because "there are three parties to the transaction; the owner of the cargo, the local authority, and the alleged slave; and the third party is no less entitled than the first to appeal to the local authority for such protection as the law of the land may afford him." This is the position on which the British negotiator mainly rests his argument; and if this fails, the whole must fall to the ground. It is not difficult to see, from what he says of two parties appealing to the local authority, that he tacitly puts aside the law of nations, and assumes the parties to be under the municipal law of the place; and, also, that those laws, and not the law of nations, are the standard by which their rights are to be judged; but is it not manifest this is an assumption, in another form, of the point in controversy? Against it, unsustained and unsustainable, by authority or reason, I shall oppose what, to him, must be the highest authority—that of the British Government itself—in the cases of the Comet and Encomium, backed by unanswerable reasons.

If the distinction be true at all, between property in person and property in things, or irrational animals, it was, to the full, as applicable to those cases as it is to that of the Enterprise. In them the right of property in persons was involved, and the three parties included, to the same extent, as in that. Nor was personal liberty less concerned. As far as British laws could affect the rights of our citizens,

the negroes belonging to the Comet and Encomium were as free as those belonging to the Enterprise. An act of Parliament, as has been shown, forbade their introduction, and forfeited the rights of their owners, thereby making them free, with rights to maintain, as far as British legislation could make them so; and yet, after full and mature investigation and reflection for the space of ten years, it was admitted that the same rule applied to them, which, it is conceded, would apply in similar cases to property in things, or irrational animals. Now, I ask, if the act for the abolition of the slave trade, which directly forbids the introduction of negroes as slaves, and forfeits the rights of their owners, did not, as we have seen, justify the distinction in the cases of the Comet and Encomium, now attempted to be made between the two descriptions of property, how could the act for the abolition of slavery justify it in the case of the Enterprise? In the former, there were all the parties, with their respective rights, just the same as in the latter; and if the local authorities were not bound to recognize and protect the negroes in the one case, why, I ask, were they in the other? Can a satisfactory answer be given? And, if not, what becomes of the distinction, with all its consequences, attempted to be deduced from it?

The British negotiator, as if conscious of the weakness of the position, attempts immediately to fortify it. He says: "If, indeed, a municipal law be made, which violates the laws of nations, a question of another kind may arise. But the municipal law which forbids slavery, is no violation of the laws of nations. It is, on the contrary, in strict harmony with the laws of nations; and, therefore, when slaves are liberated, according to such municipal law, there is no wrong done, and there can be no compensation granted;" a position pregnant with meaning, as will hereafter appear, but I must say, like all his others, a mere assumption of the point at issue, expressed in vague and indefinite language.

If, in asserting that a municipal law abolishing slavery is not a violation of the laws of nations, it is meant that it is not a violation of those laws for a state to abolish slavery which exists under its authority, it may be readily admitted, without prejudice to the rights of our citizens in the case in question, though it is a little remarkable, that the British Government allowed compensation to their own subjects by this very act under which slavery was abolished—authority in direct contradiction to the assertion that no compensation can be granted, when the act is applied to the case of our citizens, forced, without their consent, into its territory.

But if, instead of that, it be meant that all municipal laws, not in violation of the laws of nations, are valid against those laws, when they come in conflict with them, how can the distinction, attempted to be drawn between the rights of property in things, or irrational animals, and in persons, be justified? or how can the allowance of compensation in the cases of the Comet and Encomium be explained? I put the question, Was the law for the abolition of the slave trade, a violation of the laws of nations? And if not a violation, as it certainly was not, how came compensation to be granted in those cases? Can an answer be given? And if not, what becomes of the distinction attempted to be taken?

But another meaning may be intended; that it was no violation of the law of nations to extend the act, for the abolition of slavery in the British territories, to cases such as the Enterprise. If that is intended, it would be like all the other distinctions which have been attempted—but an assumption of the point in controversy.

I have now stated, in his own words, every argument advanced by the British negotiator to sustain the distinction which he has attempted between the cases of the Comet and Encomium, and that of the Enterprise; and have, I trust, established, beyond controversy, that there is no rational ground whatever for the distinction. When again pressed

on the subject by our Minister, who was not satisfied with his arguments, he assumed the broad ground that Great Britain had the right to forbid the recognition of slavery within her territory; and as our claim was inconsistent with such right, it could not be allowed, and on this closed the correspondence. It is easy to see, if she has such right, in the broad and unqualified sense in which it is laid down, and applied to the case in question, it extends to all rights whatever, whether it be right of property in things and irrational animals, or growing out of personal relations, whether founded in consent or not. All are either the creatures of positive enactments, or subject to be regulated and controlled by municipal laws; and she has just the same right to prohibit the recognition of any one or all of those rights within her territory, as the one in question. But who can doubt that such prohibition, if extended to cases of distress, such as the Enterprise, would be a most flagrant violation of the laws of nations, as understood and acted on by all civilized nations, and even as admitted and acted on by herself, in the cases of the Comet and Encomium?

To us this is not a mere abstract question, nor one simply relating to the free use of the high seas. It comes nearer home. It is one of free and safe passage from one port to another of our Union; as much so to us, as a question touching the free and safe use of the channels between England and Ireland on the one side, and the opposite coast of the continent on the other, would be to Great Britain. To understand its deep importance to us, it must be borne in mind, that the Island of Bermuda lies but a short distance off our coast, and that the channel between the Bahama Islands and Florida is not less than two hundred miles in length, and on an average not more than fifty wide; and that through this long, narrow, and difficult channel, the immense trade between our ports and the Gulf of Mexico and the Atlantic coast must pass, which, at no distant period, will constitute

more than half of the trade of the Union. The principle set up by the British Government, if carried out to its full extent, would do much to close this all-important channel, by rendering it too hazardous for use. She has only to give an indefinite extension to the principle applied to the case of the Enterprise, and the work would be done; and why has she not as good a right to apply it to a cargo of sugar or cotton, as to the slaves who produce it?

I have now, I trust, established, to the satisfaction of the Senate, what I proposed when I commenced; that the principle on which compensation was allowed in the cases of the Comet and Encomium, equally embraces that of the Enterprise; that no just distinction can be made between them; and that the British negotiator, in attempting to make a distinction, was forced to assume the point in controversy. And here I might conclude my remarks, as far as these resolutions are concerned; but there are other questions connected with this subject, not less important, which demand attention, and which I shall now proceed to consider.

It is impossible to read the correspondence between the two Governments without the impression that the question involved in the negotiation was one of deep embarrassment to the British Ministry. The great length of the negotiation, considering the simplicity and paucity of the points involved, the long delay before an answer could be had at all, and the manifest embarrassment in making the distinction between the cases allowed and the one rejected, plainly indicate that there was some secret, unseen difficulty in the way, not directly belonging to the questions involved in the cases. What was the difficulty? If I mistake not, it will be found in the condition of things in England, and especially in reference to those in power. It is my wish to do the Ministry ample justice, as I believe they were anxious of doing us; but it is not to be disguised that there was no small diffi-

culty in the way, from the state of things under which they acted, and which I shall next explain.

The present Whig Ministry held, and still hold, their power, as is well known, by a precarious tenure. Their party is, in fact, in a minority, and can only support themselves against the powerful party in opposition, by such adventitious aid as can be conciliated. Among the subdivisions of party in Great Britain, the abolition interest is one of no little power; and it will be seen at once, that the question involved in the negotiation is one in reference to which they would have no little sensibility. Like all other fanatics, they have little regard either to reason or justice, where the object of their enthusiasm is concerned. To do us justice, without offending such a party, in such a case, was no easy task; and to offend them, without losing the ascendency of their party, and the reins of government, was almost impossible. The Ministry had to act under these conflicting considerations; and I intend no disrespect in saying that the desire of conciliating so strong a party, and thereby retaining place, when opposed to the demands of justice, could not be without its weight. The course, accordingly, taken, was such as might have been anticipated from these opposing motives. To satisfy our urgent claim for justice, compensation was allowed in two of the cases, and to avoid offending a powerful and zealous party, a distinction was taken between them and the other, the effects of which would be to close the door against future demands of the kind. I mean not to say, that deliberate and intentional injustice was done; but simply, that these conflicting causes, which it is obvious from the circumstances of the case, must have been in operation, would, by a natural and an unseen bias, lead to that result.

But another question of far greater magnitude, growing out of the foregoing, presents itself for consideration: to what must that result finally lead, if Great Britain should persist

in the decision which she has made? I hold it impossible for her to maintain the position she has taken. She must abandon it as untenable, and take one of two other positions: either that her municipal laws are paramount to the law of nations, when they come into conflict; or that slavery—the right of man to hold property in man—is against the law of nations. It is only on the one or the other of these suppositions that the act for abolishing slavery can have the force she attributes to it.

The former she cannot take, without virtually abolishing the entire system of international laws. She could not think of assuming that her municipal laws were paramount, without admitting those of other states also to be so; which would be to annul the system, and substitute in its place universal violence, discord and conflict. This would force her on the other alternative, which, if it were true, would give her a solid foundation for the rejection of our claim, on the incontestable principle that the laws of nations would not enforce that which violates themselves. Nor are there wanting indications, in the correspondence (to some of which I have alluded), that the position she has taken in reference to the Enterprise, is but preliminary to the adoption of that alternative. There are, however, many difficulties to be got over, before she can openly take it.

It would require, in the first place, no small share of effrontery, for a nation which has been the greatest slave dealer on earth; a nation which has dragged a greater number of Africans from their native shores to people her possessions and to sell to others, and which forced our ancestors to purchase slaves from her against their remonstrance, while colonies (not improbably the ancestors of the owners of those slaves to purchase the ancestors of the slaves, for which she now refuses compensation),—it would, I repeat, require no small effrontery to turn round and declare that she neither had, nor could have the right to the property she sold us, nor

could we, without deep crime, retain possession. We all know what such conduct would be called among individuals, unless, indeed, followed by a tender back of the purchase-money, with an ample compensation for damages; and there is no good reason why it should be called by a less harsh epithet, when applied to the conduct of nations.

But there is another difficulty. The avowal of the principle would place her in conflict with all the authorities on the law of nations, and the custom of all ages, past and present; and would bring her into collision with all nations whose institutions would be outlawed by the avowal,—and what, perhaps, she would most regard, it would put her in conflict with herself. Yes, she who refused to compensate our citizens for property unjustly seized and detained under her authority, on the ground that she had forbidden the recognition of slavery in her territory, had then, and has, at this day, hundreds of thousands of slaves in the most wretched condition, held by her subjects in her Eastern possessions—and worse, by herself. With all her boast she is a slaveholder, and hires out and receives hire for slaves. I speak on high authority—the Asiatic Journal for 1838, printed in her own metropolis.

[Here the SECRETARY read the following extracts from pages 221 :—

"*Government of Slaves in Malabar.*—We know that there is not a servant of Government, in the south of India, who is not intimately acquainted with the alarming fact, that hundreds of thousands of his fellow-creatures are fettered down for life to the degraded destiny of slavery. We know that these unfortunate beings are not, as is the case in other countries, serfs of the soil, and incapable of being transferred, at the pleasure of their owners, from one estate to another. No! they are daily sold like cattle, by one proprietor to another; the husband is separated from the wife, and the parent from the child. They are loaded with every indignity; the utmost possible quantity of labor is exacted from them, and the most meagre fare that human nature can possibly subsist on is doled out to support them. The slave population is composed of a great variety of classes: the descendants of those who have been taken prisoners in time of war, persons who have been kidnapped from the neighboring

states, people who have been born under such circumstances as that they are considered without the pale of the ordinary castes; and others who have been smuggled from the coast of Africa, torn from their country and their kindred, and destined to a more wretched lot, and, as will be seen, to a more enduring captivity than their brethren of the western world. Will it be believed, that Government itself participates in this description of property; that it actually holds possession of slaves, and lets them out for hire to the cultivators of the country, the rent of a whole family being two fanams, or half a rupee per annum?"]

But why dwell on these comparatively few slaves? The whole of Hindostan, with the adjacent possessions, is one magnificent plantation, peopled by more than one hundred millions of slaves, belonging to a company of gentlemen in England, called the East India Company, whose power is far more unlimited and despotic than that of any Southern planter over his slaves—a power upheld by the sword and bayonet, exacting more and leaving less by far of the product of their labor to the subject race, than is left under our own system, with much less regard to their comfort in sickness and age. This vast system of servitude carries with itself the elements of increase: not, it is true, by the African slave trade, but by means not less inhuman; that of organizing the subject race into armies, and exhausting their strength and life in reducing all around to the same state of servitude.

But it may be said, that the East India Company is but a department of the British Government, through which it exercises its control, and holds in subjection that vast region. Be it so. I stickle not for nice distinctions. But how stands the case under this aspect? If it be contrary to the laws of nature, or nations, for man to hold man in subjection individually, is it not equally contrary for a body of men to hold another in subjection? And if that be true, is it not as much so for one nation to hold another in subjection? If man individually has an absolute right to self-government, have not men aggregated into states, or nations, an equal

right? If there be a difference, is not the right the more perfect in a people, or nation, than in the individuals who compose it? And is not the subjection of one people to another usually accompanied with, at least, as much abuse, cruelty, and oppression, as that of one individual to another? Is it possible to make a distinction which shall justify the one and condemn the other? And if not, what right, then, I ask, has Great Britain to hold India in subjection, if it be contrary to the laws of nature, or nations, for one man to hold another in subjection? Or, what right to hold Canada or her numerous subject colonies, all over the globe? Or, to come nearer to the point, in what light does it place her boasted abolition of slavery in the West Indies? What has she, in reality, done there but to break the comparatively mild and guardian authority of the master, and to substitute in its place her own direct and unlimited power? What but to replace the overseer by the army, the sheriff, the constable, and the tax collector? Has she made her slaves free? Given them the right of self-government? Is it not mockery to call their present subject condition freedom? What would she call it, if it were hers—if, by some calamity to her and the civilized world, she should fall under similar subjection to France, or some other power? Would she call that freedom, or the most galling and intolerable slavery?

But I approach near home. I cross the Atlantic, passing unnoticed subjugated Ireland, with her eight millions of people and only ninety thousand voters, and placing myself on the boasted shores of England herself, I ask, how will the principle work there?

It was estimated by Burke, if my memory serves me, shortly before the beginning of this century, that the British public, estimating as such all who exercised influence over the Government, did not exceed 200,000 individuals. Since then it has, no doubt, greatly increased by the extension of the right of suffrage and other causes. Say that it has tre-

bled or quadrupled, and, to be liberal, that it amounts to seven or eight hundred thousand. In this small portion, then, is vested the supreme control and dominion over the twenty-five millions which constitute the population of the British Isles. If, then, it be contrary to the laws of nature or nations for man to hold man in subjection, or one nation another, how can a small part or class of a community hold the rest? Or on what principle, according to that maxim, can these few hundred thousands hold so many millions? If the right of self-government forbids the subjection of one man to another, does it not equally forbid the domination of a small portion of the community over the residue? And, if so, must not the maxim terminate in the utter overthrow of the present political and social system of Great Britain, and the rest of Europe?

What a picture is presented to the mind in contemplating the present state of things in England! We behold a small island, in the German ocean, under the absolute control of a few hundred thousand individuals, holding in unlimited subjection not less than one hundred and fifty millions of human beings, dispersed over every part of the globe, making not less than two hundred to each of the dominant class; and yet that class propagating a maxim, with more than missionary zeal, that strikes at the foundation of this mighty power! I would say to her and other powers impelled by like madness, You are attempting what will prove impossible. You lay down a maxim which you would limit in its application, so as to suit your own safety and convenience. Vain hope in this inquiring and investigating age. You cannot make a monopoly of a principle so as to vend it for your own benefit. It will be carried out to its ultimate results, when its reaction will be terrific on your social and political condition. Already it begins to show its fruits. The subject mass of your population, under the name of Chartists, are now clamoring for the benefit of the maxim, as applied to themselves.

They demand practically, in their case, the benefit of the principle you propagate at a distance ; and for so doing, are cut down without mercy. My object is not to censure the course adopted towards them. It is not for me to judge what your safety may require. I am simply showing that the maxim on which you profess to act in relation to the West India colonies, and which you must apply to our case, in order to sustain your decision, begins to be applied to your own at home. It is only the beginning. Already it is passing into a higher and more intellectual class, who are applying it to the present social and political condition of Europe. A body of men, not inconsiderable either for numbers or talents, on the continent of Europe, and particularly in France, are busy in making such application. They are men not of a character to stop short, or be intimidated by final results. Already they proclaim that social or political slavery—that which results from the subjection of the great mass of society to the small governing class, is worse than domestic slavery—that which exists within the southern portion of our Union, in its mildest and most mitigated form. In illustration, I will read an extract from the Paris correspondent of the National Intelligencer, said to be Mr. Walsh, taken from the work of the Abbé Lamennais :—

"The Abbé exclaims, 'In good sooth, I am not in the least astonished that so many, viewing only the material side of things, and the present separated from the future, should, in the midst of our boasted civilization, regret the ancient domestic slavery. Thirty-three millions of Frenchmen, true serfs of this era, crouch ignominiously under the domination of two hundred thousand privileged masters, and supreme dispensers of their lot. Such is the fruit of our struggles for half a century. Slaves, arise and break your chains ! let them no longer degrade in you the name of man ! Eighteen centuries of Christianity have elapsed, and we still live under the pagan system.'"

To this I add another extract, taken from another of the public journals, which will give some idea what are the

fruits of slavery in the form so vehemently denounced by the Abbé:—

"*England and Ireland.*—It's enough to make one's heart bleed, if all were true, in the winter pictures drawn of the starved, suffering condition of the peasantry in the bogs—their cabins inundated with rains and mud—the bodies of the laborers saturated with wet, sleeping on fireless hearths, and peat at the exorbitant price of a penny a sod—too exorbitant to cook the very few potatoes they may have. Parallel to these scenes the English operatives are stated to be reduced to dire extremity and around these dark and gloomy spots, we have narratives of the luxurious and voluptuous life led by the favored few of the gentry and nobility."

If such is the condition of what the Abbe calls "the serfs of this era," in the most civilized country in Europe, well may our domestic slave, in the midst of plenty, and under the guardian care of a master identified with him in interest, rejoice at his comparatively happy condition. The exaggerated picture, drawn by the most infuriated abolitionist, can find nothing in the whole region of the South to equal this picture of misery and want; and yet it is Great Britain, wherein such a contrast of wretchedness and voluptuousness exists, that wages such unrelenting hostility against domestic slavery! She wars against herself. The maxim she now pushes against others, will, in turn, be pushed against her. She is preparing the way for universal discord, within and without. The movement began with Wilberforce, and other misguided men like him, who, although humane and benevolent, looked at the surface of things, with little knowledge of the springs of human action, or the principles on which the existing social and political fabric of Europe rests; and, I may add, like all other enthusiasts, without much regard, as to the means employed in accomplishing a favorite object.

There never before existed on this globe a nation that presented such a spectacle as Great Britain does at this moment. She seems to be actuated by the most opposite and

conflicting motives. While apparently actuated by so much zeal, on this side of the Cape of Good Hope, in the cause of humanity and liberty, she appears to be actuated, on the other side, by a spirit of conquest and domination not surpassed by Rome, in the haughtiest days of the Republic. She has just subjected and added to her vast empire in the East, the country between India and Persia; and is, at this moment, if we are to believe recent accounts, preparing an extensive expedition against the oldest of nations, containing a population not less than a fourth of the human race—a nation that has lived through generations of nations, and which was old and civilized before the governments of Western Europe came into existence; I need scarcely say I refer to China. Let me add to her other claims to respect and veneration, that, of all despotic governments, it seems to me (judging from the scanty evidence we have of a people so secluded), it is the wisest and most parental. And for what, if we may believe report, is Great Britain about to wage war against this venerable and peaceful people? To force on them the use of opium—the product of her slaves on her Hindoo plantation—against the resistance of the Chinese Government. And what is the extent and character of this trade? It is calculated it would have reached, the last year, had it not been interrupted, forty thousand chests, or more than five millions of pounds—worth about twenty millions of dollars—sufficient, by estimate, to supply thirteen or fourteen millions of opium smokers, and to cause a greater destruction of life annually, than the aggregate number of negroes in the British West India colonies, whose condition has been the cause of so much morbid sympathy. It is against the trade in this pernicious and poisonous drug, carried on by fraud and smuggling, that the Chinese Government has taken the most energetic and decisive measures, as it was called to do by the highest consideration of policy and humanity. Of all deaths, none is more wretched than that occasioned by

this seductive but fatal drug. The subject slowly expires, with all the powers and functions of mind and body completely exhausted, a spectacle odious to behold.

Such is the trade which, it is said, the expedition is intended to enforce, against the decrees of the Chinese Government. The rumor, I hope, is groundless. I hope, for the honor of England—for the honor of modern civilization, and the Christian name—that its object is far different; and that, instead of enforcing a traffic so abominable, it is intended to co-operate with the wise and humane policy of the Chinese Government in suppressing it; and that, so far from aiding smugglers and ruffians, it is intended to seize and punish them as they deserve. If, however, rumor should prove true, what a contrast it would exhibit between the conduct of Great Britain in that and this quarter of the globe? There, we find her extending her power and dominion, regardless of justice or humanity; while here, we find her in the depth of sympathy for a band of negroes, brought into our ports under a suspicion of murder and piracy, intermeddling in their behalf with our own and the Spanish Governments—and that, too, at the solicitation of an abolition society of her own subjects! Strange as this may seem, it is true. I hold in my hand evidence of the fact, which I request the Secretary to read.

[The Secretary then read the following:]

"FOREIGN OFFICE, London, Dec. 23, 1839.

"SIR: With reference to the memorial of the Glasgow Emancipation Society, dated the 25th of October last, on behalf of the negroes who took possession of the Amistad, and were subsequently carried to New London, in the United States of America, I am directed by Viscount Palmerston to state to you, for the information of the above-mentioned society, that his lordship has directed her Majesty's Minister at Washington to interpose his good offices in their behalf, in order that they may be restored to liberty; and his lordship has further instructed her Majesty's Chargé d'Affaires at Madrid to call upon the Spanish Government to issue immediately strict orders to the authorities of Cuba, that, if the request of the

Spanish Minister at Washington is complied with, the negroes in question may be put in possession of their liberties.

"Her Majesty's Chargé d'Affaires at Madrid has likewise been instructed to urge the Spanish Government to cause the laws against the slave trade to be enforced against Messrs. Ruiz and Montez, and against all other Spanish subjects concerned in the transaction in question.

"I am, sir, your most obedient, humble servant,

"W. Fox Strangways.

Wm. P. Patton, Esq., &c., Glasgow.

Yes, strange ways, indeed, if it might be permitted, on so grave an occasion, to allude to a name. Strange ways—making millions of slaves in one hemisphere—forcing, by fire and sword, the poisonous product of their labor on an old and civilized people, while, in another, interposing, in a flood of sympathy, in behalf of a band of barbarian slaves, with hands imbrued with blood! I trust such officious intermeddling will be met as it deserves. Has it come to this, that we cannot touch a subject connected with an African, without the interference of another government, at the solicitation of a foreign society, instigated, no doubt, by a foreign faction among ourselves? I mean not a faction of foreigners, but of our own people, who, in their fanatical zeal, have lost every feeling belonging to an American, and transferred their allegiance to a foreign power.

In making these remarks, I have not been actuated by feelings of hostility towards Great Britain. My motive is far different. With all her faults I admire and esteem her for many and great qualities. My desire is peace. It is the wish of the civilized world; and I would regard war between the two kindred people as among the greatest of calamities. But justice is indispensable to peace among nations. Our maxim ought to be, neither to do, nor submit to, wrong—to ask for nothing but justice, and to accept nothing less; but never disturb peaceful relations till every means of obtaining justice has been tried in vain. I have, in this case, acted in that spirit. I believe, solemnly, that justice has been with-

held. To prove this, has been my object. I trust I have done it to the satisfaction of the Senate. I also believe that justice has been withheld on grounds utterly untenable, and which, if persisted in, must lead, in the end, to the avowal of a principle, on the part of Great Britain, that must strike a fatal blow at the peace of the two countries; and, in its reaction, on the social and political condition of Great Britain and the rest of Europe. Thus believing, I have attempted to point to some of the disastrous consequences which must follow, with the view of rousing attention to the question at issue between the two governments, in the case under consideration, in order to obtain redress of injury. If, in making my remarks, I have assailed her, it is because we have been assailed, as I conceive, in assuming the principle on which justice has been withheld.

The immediate object I had for introducing these resolutions was, to take the sense of the Senate on the subject to which they refer; and which embraces a principle vital to us of the South, and of deep interest to the rest of the Union. My conviction is strong, that we have justice on our side; and I wish to afford to our brethren in the other sections an opportunity of exhibiting a proof of their attachment to the common interest, by sustaining a cause where we are particularly concerned, as we did, at the last session, by sustaining unanimously one where they were.*

I have no particular wish as to the mode of disposing of the resolutions. All I desire is, a direct vote on them; but I am indifferent, whether they shall be first referred and reported on, or be discussed and decided on without reference. I leave the Senate to decide which course shall be adopted.

[Mr. Grundy said that as very important principles were involved in these resolutions, it would be proper that we should examine the

* Referring to the case of Maine.

whole ground before we vote upon them. He was himself prepared to vote now, having had occasion to examine the question some time since, but others very probably had not done so. The able speech of the Senator from South Carolina had thrown much light on the subject, and could not fail of attracting the attention of Senators to it. He would therefore prefer that it should be passed over informally for the present. As to the interference of the British Government in the matter of the Africans taken in the Amistad, he thought it was decidedly wrong, and no good could result from it. It was a question which could only concern two governments—the Spanish and American—both of which are perfectly competent to protect the rights of their citizens, and do justice in the premises. Under these circumstances he considered the unasked interference of a third power an intrusion. He wished to see what course the Executive would take in this matter, as in questions between foreign governments and our own, he thought we should act nationally—that all the departments of our Government should act in harmony.

Mr. King said he was fully impressed with the importance of the subject, as no one could fail of being who had investigated it, or who had listened to the remarks of the Senator from South Carolina. It was a question which, if not arrested and settled now, will lead to momentous and disastrous consequences hereafter. Viewing it in this light, and with a view to afford an opportunity for full investigation, he would, with the assent of his friend from South Carolina, move the reference of the resolutions to the Committee on Foreign Relations.

Mr. Calhoun assenting,

The resolutions were accordingly referred to the Committee on Foreign Relations.]

SPEECH

On the Cumberland Road Bill, delivered in the Senate, April 1st, 1840.

[THE Bill for the continuation of the Cumberland Road in the States of Ohio, Indiana, and Illinois, was called up in the Senate, April 1, 1840, and the amendment proposed by Mr. Clay of Ala., being under consideration, Messrs. Preston, Young, Clay of Ala., and Webster addressed the Senate at length. On the conclusion of the remarks of the last-named gentleman, Mr. Calhoun rose and said:—]

THAT he was thoroughly satisfied that the General Government was wholly unfit to carry on works of internal improvements; and that, in his solicitude to see the termination of the whole system, he would vote for the amendment offered as a substitute for this bill by his friend from Alabama (Mr. Clay). He believed the offer was a liberal one, and ought to be accepted by the States interested. It went beyond the measure of real justice in the spirit of compromise, and he hoped that it would put an end to this distracting question, and the system of which it constituted a part. It was only in that view he could justify his support of the proposition. Indeed, he believed that the fund was entirely exhausted, and that the States interested in the road had no just claim to further appropriation or aid from the Government.

He could not concur in the opinion of the Senator from Illinois (Mr. Young). That Senator acknowledged that a sum much greater than could ever be derived from the two per cent. fund had been expended on the road, but insisted that on a fair construction of the compact with the States interested, a large portion of the sum expended ought not to be charged to that fund. He rested his construction on the expression, that the money should be expended on roads leading to the State, which he so construed as to make it the

duty of the Government, under the compact, to carry the road actually to the limits of the States, and which, if correct, would oblige us to finish the road through its whole extent to the borders of Missouri. In giving this construction, he distinguished between "to" and "towards."

He (Mr. C.) did not think it necessary to go into this verbal discussion. He rested his opinion on more solid ground. It was, in fact, too late to inquire into the true meaning of the compact in reference to the fund. Two points were certain. In the first place, that the Government is not bound to expend more than two per cent. on the road, and that the fund had been exhausted; and, in the second place, that it had been exhausted by the votes, in part of the members of the States interested in that fund, and at the earnest solicitation of the States which they represent, and against the strenuous opposition of a large portion of the members from other parts of the Union. It is not too late to say, that the fund is not liable for such expenditures. They are estopped by their own acts. The very case stated by the Senator would illustrate what he said. He asks, if an undertaker should engage to spend ten thousand dollars to build a house for you, and should spend that sum on the foundation, would that fulfil his engagement? Yes, certainly, if that be the limit of the amount agreed to be spent, and if you stood by and insisted he should spend the whole sum he had engaged to do on the foundation. And such is precisely the present case.

Nor could he agree with the opinion of the Senator from Ohio (Mr. Tappan). He takes the ground that justice demands the appropriation; that in consequence of this, and other improvements by the Government, we have received a much higher price for the land sold than we could otherwise have got; and that the purchasers have already paid for the road in this increase of price. He attempted to establish his position by reference to the price at which Connecticut

[illegible] which he stated to be forty cents the acre. [illegible] it is sufficient to remark, that the public [illegible] yielding an income, have not yet returned [illegible] the sum expended for them, as [illegible] denied in the recent discussion on the [illegible] assuming State debts; and that, of course, if the [illegible] constructed, and if it is to be continued [illegible] constructed at the expense of the commerce [illegible] already available source of revenue in reality.

But, on this, and not less decisive answer, might be given [illegible]. So far from selling on better, we have sold [illegible] than Connecticut. She sold her whole in[illegible] gross, including good and bad land, without [illegible] almost a half century ago, for cash in hand—or, [illegible] the same, paper well secured, with interest: while we [illegible] selling, through all the intermediate period, piece [illegible] of our best land, at a heavy expense. It requires [illegible] knowledge of figures to show that, taking interest [illegible] estimate, she has realized a clear profit per acre far [illegible] than we have, without making any deduction for [illegible], trouble, and responsibility of management.

He had now shown that this appropriation cannot be [illegible] on the claims of justice. If then it can be defend[illegible], it must be on the broad and general ground of ex[illegible] and constitutionality, on which every other work of [illegible] description would stand. He would not assent to [illegible] attempt of the Senator from New-York (Mr. [illegible]) to distinguish it from other works of the kind. That [illegible] acknowledged that the two per cent. fund had been [illegible] exhausted, and admitted that without the provi[illegible] bill charging the work on that fund, there would [illegible] between an appropriation for this and any [illegible]; and yet with these admissions, he undertook the [illegible] task of proving that the retention of the provision [illegible] the appropriation on that exhausted fund, would, by

some magic, make a material distinction between this and all other roads. His intellect, he acknowledged, was too obtuse to perceive the difference; unless, indeed, it be meant that, if the provision were retained, it would have the effect to prevent the President, in the exercise of his approving power, from looking beyond the act itself, and ascertaining whether, in truth, the fund was exhausted or not,—and then to compel him to sign an act which, otherwise, his oath to support the constitution would compel him to veto. He took an entirely different view. He believed it due to the President, to ourselves, and the constitution, to present the act to him, if presented at all, in exact conformity to the state of the facts, so as to afford him a fair opportunity to exercise the high power vested in him by the constitution over our acts, with a full knowledge of all the facts; and if he had no other objection to the bill than the retention of this deceptive provision, as he regarded it, he would on that account vote against it. He held a strict adherence to truth, in every particular, to be among our most solemn obligations.

Viewing this bill like every other for internal improvement, he was opposed to it, if for no other reason, because the experience of a quarter of a century had proved that this Government was utterly unfit to carry on works of the kind. He would vote for the substitute, in order to get rid of the whole system. It appears, by a statement from the Treasury Department, that there has been spent by this Government, for internal improvements, the sum of $18,600,000, in round numbers. If, to this expenditure, interest be added, it may be fairly put down at the sum of twenty-five millions; and what do you suppose has been the aggregate income of the Government from this immense expenditure—equal to one-fourth of the debt of the Revolution? The whole amount is just $173,620, and from a single work, the Louisville and Portland Canal; and we have now, if I mis-

take not, a bill on the calendar to surrender that work. Nor is this road an exception to wasteful and thoughtless expenditure. It has been stated in debate, and not contradicted, that it had thus far cost $18,000 per mile; a sum at least three times as great as a good road of the kind may be made for, and much greater than what a substantial road ought to cost.

Georgia is constructing at this time a railroad from the Tennessee to the Chattahoochee river, a distance of one hundred and twenty miles, including the mountain section between the Atlantic and the western waters, at the rate of $15,000 per mile, substantially made, to be laid down with heavy rails and graded for double tracks. If he misstated, he asked his friend from Georgia, back of him, to correct him (Mr. Lumpkin). He felt that he hazarded nothing in asserting, that this very road will in ten years be superseded by a railroad, and will prove worthless, like all our other projects of the kind, with the lucky exception to which he had alluded. The uncertain navigation of the Ohio River, in summer and winter, will make a railroad passing in the same direction necessary; and when made, this, which costs so much, and is the cause of so much contest, will be no more than a mere neighborhood road, being used to drive stock on, and not good for that.

But the unfitness of this Government to carry on works of internal improvement, is not confined to this objection. Our disbursements are as partial and unequal as they are wasteful and thoughtless. I hold in my hand a document (No. 89, 2d Sess., 23d Cong.) which gives the amount expended under the head of internal improvement, from the commencement of the Government to 1833. To that period there had been expended ten millions of dollars in round numbers, of which sum Georgia had received just seventeen thousand for her share, South Carolina nothing at all, Kentucky nothing, Virginia nothing, and Tennessee twenty-seven thousand dollars.

The truth is, that the expenditure appears to have been governed by importunity and political influence, with little or no regard to justice or utility.

A system so conducted must lead to discontent, and be productive, politically, of many mischievous consequences. Need we go further than this very instance to prove the truth of this assertion? Can we doubt that there is, in reality, a large portion of this body discontented with so large an annual draft on the treasury for a single work, as local in its character as a thousand others that may be named? Nay, further; can we doubt that there is a great majority of the body of both parties opposed to it, both on the ground of expediency and constitutionality, but who feel themselves compelled in a measure, to vote for the appropriation, because of its supposed bearing on a certain question which now agitates the country, but which he did not deem it proper to name here? According to his mode of thinking, those who represented the States immediately concerned, had the greatest interest in terminating the whole system. They were placed, in his opinion, in a state truly awkward and embarrassing; and for himself, he would rather that his State should never receive a cent, than to receive double the amount contained in this bill, under the circumstances under which it would have to be voted.

It is time, Mr. President, that we should awake from our long slumber. We have, for the last fifteen or twenty years, been wasting the resources of the Union on innumerable objects of internal expenditure—roads, canals, harbors, an overgrown eleemosynary pension list, never intended to be placed, by the constitution, under the charge of this Government—while we have been grossly neglecting the great objects for which the Government was really instituted. It is high time that the internal bleeding, which has been wasting the strength of the Government, should cease, and that we should direct our attention and resources to objects really

intrusted to the Government, and for which it is responsible. He was no alarmist; he did not believe that war would grow out of the boundary question. Right, he solemnly believed, was with us; and when the Government of Great Britain came to a full and calm consideration of the subject, such, he believed, would be her conclusion; but be that as it may, he could not bring his mind to the belief that two nations so deeply interested in preserving peace, should refuse to settle such a question short of an appeal to arms. The great point is to prevent collision between the local authorities on the opposite side of the line, and to keep the question at the real point at issue. If this be done, he did not doubt but the controversy would terminate peaceably, and to the mutual satisfaction of both parties. But although he did not believe that war would result, or that there was danger in that quarter, he could not look at the general state of the world without fearing that the elements of strife were daily multiplying and gaining strength, and that it was time for us to economize our resources, and direct them to the point where they would be felt in the hour of trial. We must look at the ocean. That is the exposed side—the side of danger. There was no real danger on the side of the inland frontier. He regarded the British possessions on that frontier as a pledge of peace, and not a source of danger. The immense increase of our population on the whole extent of the line, and the still greater facility of concentrating the great masses of our population on any of its exposed points, by roads and canals, made us invincible there. Not so on the maritime frontier. It is there we are really exposed, and to that we must direct our attention. For its defence, fortifications have their value; but they have been over-estimated. It is on the navy we must rely. It was our cheapest and safest defence—at once our sword and shield. On it we should converge our surplus means. He would be prepared to show on the proper occasion, that it would be in our power, by strict economy, and withhold-

ing useless, profuse, corrupting, and unconstitutional expenditures, to put on the ocean, at no distant period, and without increase of burden, a force that would give to us the habitual command of the adjacent seas, against any force that could be safely kept by any hostile power on our coast. At that point we ought to aim. Nothing short of it can give security or respectability. The first step is to put a stop to these internal expenditures, at the head of which stands that which is the subject of discussion. Till it is stopped this system cannot be arrested; nor can we have any assurance till then that it will not return on us in its full vigor. Other portions of the Union will not stand by and see a part receiving all the benefit of the system, be the pretence what it may, without struggling to participate in its advantages.

REMARKS

On the Bill supplemental to the Act entitled, "An Act to establish branches of the Mint of the United States;" made in the Senate, April 17th, 1840.

Mr. Calhoun hoped that whatever might be the proper course to be pursued in reference to these mints, the motion of his colleague would not prevail. If he understood the object of this bill, it was to superadd the power of coining silver, to that which the mints now possessed of coining gold. The expense to effect the object in view would be exceedingly small, for the bill contemplated that it should not be undertaken, if expense of any account was to be occasioned by it. His impression, upon a view of these facts, was, that there ought to be no opposition to the bill. There was a considerable portion of silver alloy in all the gold

found in the gold region of the South, so that one objection that had been urged against the bill was here obviated. He hoped that his colleague would let the bill pass, and if he thought that the mints were not rendering an adequate service, compared with the expense of keeping them up, let him institute an inquiry, and then, if the facts shall justify it, propose their discontinuance. It was not fair now to decide that the experiment of these two mints had or had not failed. When they were first established, gold was collected in considerable quantities, though the production was now very much reduced. He had some little knowledge of that region of country, and he ventured to say that the coinage of $120,000, the amount coined by the mint which had done the smallest business, was enough to justify the continuance of it. He believed that gold bullion had risen since the establishment of these mints eight or nine per cent.; which was a clear gain to the producer, who, previous to this, had to exchange his bullion for paper at a serious loss. As to the falling off of the production of these mines, it might be easily accounted for. The mines were divided into two descriptions—deposit mines and vein mines. The deposit mines, from their nature, would be soon exhausted; but the vein mines were scarcely yet begun to be understood, and from them a very considerable production might be expected. There had been powerful reasons why these mines had fallen off. Gold and paper were antagonists to each other. The paper circulation had swollen immensely—prices had consequently risen, and the depression of gold and silver followed. The increased cost of production, which lessened the value of the gold with the rise in the price of cotton, took away much of the capital that was employed in mining. He might add to this, the demand for labor on the railroads in the progress of construction about that time. If the present state of depression should continue for any length of time, we should have an opportunity of knowing what effect

the opposite state of facts would produce. In that event he thought the products of the mines would be as great as ever. If an expansion of the paper currency again took place, gold would again sink.

There were a variety of opinions with regard to the capacity of these mines for producing gold in any considerable quantities. Some thought that it would turn out to be the richest gold region in the world, while others—scientific men—thought differently. This would be decided by time alone. He did not think, however, that any judicious decision could be made now. Mr. C. concluded by expressing the hope that his colleague would permit the bill to pass now; and, after having collected what information he deemed necessary from the Secretary of the Treasury, bring the subject before the Senate in a distinct form.

SPEECH

On the motion of Mr. Benton to print thirty thousand extra copies of the Report of the Secretary of the Treasury in relation to the Expenditures of the Government; made in the Senate, May 7th, 1840.

[Messrs. Benton, Brown, and Hubbard, having concluded their remarks in favor of the motion, and Messrs. Preston, Southward, and Webster against it,—Mr. Calhoun said:—]

I am the friend of economy, and have, I trust, ever evinced it by my votes and other public acts.

I believe that in all free states it is a cardinal virtue, and in ours an indispensable one, if we desire to preserve our political institutions. As the friend of economy, I rejoice to hear this debate. The crimination and recrimination of pro-

digality between the two sides of the Senate, is a proof that the day of extravagance is passed, and that of economy arrived. We have had a period of extravagance. It is manly to acknowledge the truth. Our expenditures have gone far beyond what they ought to have been. The important question is, What and who caused it? The cause, Sir, will be found in an overflowing treasury, which had to be sluiced by appropriations to prevent an inundation; not overflowing with gold and silver, but with bank-notes, paper credit, to retain which in the treasury, would, in effect, have been but to borrow so much from the banks for the time. The greatest of all absurdities is, to hoard up bank-notes, or credit, in the treasury. It is but to draw so much from circulation to be filled up by new issues;—thus giving the banks interest both on the old and the new. But this is not the only objection. It is liable to another, and still stronger, if possible. The notes drawn from circulation being replaced by another issue of equal amount, the channels of circulation are kept full; and when the Government comes to draw from the treasury the accumulated mass, the necessary effect is, that the addition to the already full channels of circulation, swells the tide till an inundation follows, sweeping all before it, such as we lately witnessed.

Yes, we have just passed through a period, in which the most wasteful and corrupt expenditures could not sluice the treasury fast enough to prevent the inundation of paper, but have left the country and Government in their present embarrassed condition. I now ask, What caused this overflowing treasury, with all the accompanying extravagance and following disasters? What, but the prolific parent of evil, the protective system—duties imposed, not for revenue, but to favor one branch of industry at the expense of all others,—and which exacted from the people more than the wants of the Government required, or even its waste and extravagance could expend.

It is difficult in the changed condition of things, and in the midst of the denunciation of extravagance and praise of economy, to realize the scenes through which we have lately passed. It is but four years since, when he was considered a benefactor who could devise some new scheme of spending money, and when the then Administration, notwithstanding the extravagance of appropriations, was censured for not spending the public money fast enough, and was even called upon, by a resolution of the Senate, to know how much it could spend. Such was the cause of the extravagance which is now condemned on all sides,—and such the fruits of a mistaken and mischievous policy.

In order to determine who is responsible for this extravagance, it is only necessary to decide who are responsible for the policy in which it originated. I then put the question: Who are the authors and supporters of the protective system? I leave gentlemen to answer; I submit it to the journals of Congress, and the public voice, to decide. Appropriations and expenditures are but consequences—dangerous and corrupting consequences;—but, at the same time, consequences whose alternative—an accumulation of a surplus mass of bank-notes in the treasury—is, to say the least, not less dangerous and corrupting. It has been our misfortune to be cursed with these combined evils.

But, important as are these questions, there is another, still more so, relating to the future. The past is past, and cannot be recalled; and a reference to it is only profitable, as furnishing lessons of experience. The future is still before us, with all its realities, and the important question is, Who are *now* the advocates and supporters of so calamitous a policy, in spite of the severe lessons of experience? Time will show; and when it does it will make manifest who are the real friends of extravagance, and determined foes of economy and retrenchment. I repeat, economy is a cardinal republican virtue; and that there never existed a govern-

ment of the kind, in which it is so indispensable as in this of ours. I do not intend to go into the reasons on this occasion; but, of all governments, ours is that in which patronage and extravagance are the most corrupting and dangerous. Thus thinking, I rejoice that we are compelled to retrace our steps, and to economize. Yes—compelled by that which alone can enforce economy on a dominant party—an empty treasury. It is on this I rely. Its mandates must be obeyed; and I wish it to be understood that I intend to use my best efforts to keep it low, till the Government is thoroughly reformed and restored to its original purity. Fill the treasury to overflowing to-day, and to-morrow the scenes of profusion and extravagance, through which we have thus far passed, would return. Nothing but stern necessity can correct such abuses; and I now give notice that when the time arrives for the readjustment of the tariff, I shall resist all attempts to draw more money from the pockets of the people, than is absolutely necessary, with the most rigid economy, for the just and constitutional wants of the Government. In doing so, I shall give the highest evidence of being the friend of economy and of our free institutions. Here let me say that I deem fifteen millions of dollars annually, to be ample to meet all the just wants of the Government, including the Post-office Department. With this sum, we may place our civil list, and military establishment, in all its branches, on a respectable footing,—and enlarge our navy, so as to give protection to our wide-spread commerce, and to ensure to us the command of the adjacent seas.

I know nothing of the contents of the document which has caused this discussion; but will vote for the motion without knowing whether the effect of the publication will be such as the mover contemplates or not. The public attention is roused to the subject of our expenditures, and whatever we publish in relation to it, will, I doubt not, be closely scrutinized. If there be errors in the report, or if it be

drawn up so as to make false impressions, they will be seen and pointed out; but if not, it will have its due weight. With these views, I care not to look at its contents before giving my vote. But if any gentleman desires time to examine it, before he votes, as far as I am concerned, it shall not be withheld from him.

[Here Mr. Clay rose, and expressed himself gratified to hear, from the Senator from South Carolina, the admission that the administration had been extravagant. Coming from him, it was very important. He then proceeded to controvert the position that the protective system had caused the surplus, and that the surplus had led to extravagance. He was followed by Mr. Buchanan, who defended the administration against the charge of extravagance. After the conclusion of his remarks, Mr. Calhoun again rose, and said :—]

My object, when I first addressed the Senate on this subject, was neither to accuse nor defend the administration. It was much higher—to state facts, point out causes, and trace consequences. In affirming that there had been a period of extravagance, I made no particular reference to the present administration; but on the contrary, asserted at the time that the period of economy had commenced. But as the Senator from Kentucky had thought proper to refer what I had said to the existing administration, I feel myself called on, as an act of justice, to state my impression how far they are, or are not responsible, in reference to the subject of discussion.

There certainly remains much to be done to complete the work of retrenchment and economy; but, as far as I can judge, it would be doing great injustice to deny that, in the ranks of the administration, there exists a strong desire to reform the expenditures, and that a good deal has been done already, under circumstances of no small difficulty. So strong has been this spirit at the present session, that thus far few bills have passed, involving expenditures, to which I

could not cheerfully give my assent. But I attribute the reformation to the exhausted state of the treasury. I know well, from past experience, if the treasury had been full, the money would be spent. It would not have been in the power of this, or of any other administration, to prevent it; and I take the occasion to repeat, that I rely on an empty treasury as the only certain remedy against extravagance. The most that can be done by the administration, is to bring down the expenditures with the diminishing means of the treasury. This is no easy task, and necessarily requires time. I ask the distinguished Senator from Kentucky, in all candor, whether it would be possible for the administration to reduce the expenditures to the proper standard, all at once? Take the pension lists. There are about forty-four thousand remaining on it, at a cost of upwards of three millions annually. Can that be got clear of at once? What can be done under this vast head of expenditure, but to arrest the further progress, and leave it to time to retrench? I appeal to all, whether there has not been great vigilance for the last two years, to prevent the increase of the lists, or whether more could well be done in that particular than has been? Again, take the Seminole war, for which the present administration is not certainly responsible; they found it existing, and how could they prevent the heavy expenditures from that source, while it continues to exist?

I have had, Sir, some experience on the subject of retrenchment and economy. It was my fortune to administer the Department of War under Mr. Monroe. The department was in a state of great disorder, and the expenditures extravagant. I went in with the determination to use my best efforts to economize and retrench, to which I devoted myself; but I found the task a work of three years of incessant labor, before it could be accomplished, with any thing like satisfaction to myself.

The Senator has asserted, on this, as well as other occa-

sions, that the tariff was not the cause of the surplus revenue, but that it was caused by the public lands. A very few remarks will, I trust, satisfy the Senator himself that he is in error. The tariff of 1828 raised the duties, on an average, of all the imports so high, that nearly one-half in value of all the goods imported was paid to the custom-house ; that is, out of an import of about sixty millions of dollars, the Government collected about thirty millions. That was about the amount of the imports when the Compromise Act passed. Since then, our domestic exports have risen to nearly one hundred millions, which, adding the profits of trade, and the whalefishery, with other resources, would give an import of not less than one hundred and twenty or thirty millions,—and which, if the tariff of 1828 had not been reduced, would have given an income from the customs of sixty or seventy millions. Could so large an amount have been collected without a heavy surplus ? It may, indeed, be said, that if the tariff had not been reduced the exports would not have been increased ; but that would place its oppressive character in a stronger light. The object of reducing the tariff was in part to get clear of the excess of revenue ; but, notwithstanding the reduction, which had to be gradual to prevent the destruction of the manufacturer, the duties were sufficient to swell the income from that source to an amount greatly beyond the expenditures of the Government. The surplus, after the payment of the public debt, and the removal of the deposits, was placed in State banks ; and afforded the means of bank accommodation, on so large a scale as to raise prices, and to give an unbounded impulse to speculation in the public lands ; and hence the revenue from that source, to which the Senator attributed the surplus. It, indeed, greatly increased it ; but, properly considered, it was itself but one of the effects of the surplus already accumulated in the treasury from the tariff.

But the Senator said that, admitting it was the cause,

still there was no necessity that the surplus should be spent, —no necessity for spending a revenue of forty or fifty millions of bank-paper, passing into the treasury annually. Could such a tide of paper be permitted to flow into the treasury from year to year, without flowing out through some other channel? I put the question to the Senator, Would not its first effect have been to transfer a large portion of the property of the country to the banks, and their favorites; and finally, on the reflux of the tide, to leave them in the embarrassed and prostrated condition in which we now find them? Is not, in fact, the present condition of the country proof conclusive of the truth of what I have asserted?

[Mr. Clay. The accumulation might have been prevented by the distribution of the surplus.]

Mr. Calhoun. Yes, it might, and I accordingly made the qualification; yet it must be spent, or got clear of some other way; but the Senator knows my objections to the scheme of raising a revenue for distribution. It may be expedient to get clear of an accidental surplus to avoid a greater evil, by a deposit with the States, as was the case in 1836; but of all measures, I regard a permanent distribution of the revenue as the most fatal effect that could grow out of a surplus revenue. As bad as an extravagant expenditure is, it is still worse. We have had the two combined, and they, in the short space of a few years, have well-nigh proved fatal to the country.

The Senator, in conclusion, declared against a high tariff, but asserted, if I understood him correctly, that he was for protection, and was in favor of a system of countervailing or retaliatory duties.

[Mr. Clay explained—that he was in favor of maintaining the Compromise Act, and of affording protection within the limits to which it would reduce the duties.]

MR. CALHOUN. I certainly understood the Senator to say that he was prepared to meet prohibition with prohibition. Did I understand him correctly?

[Mr. Clay assented.]

MR. CALHOUN. I do not intend to go into the important question involved; but I take the occasion of raising a warning voice against the whole system of retaliatory duties. It would prove worse in the end than the protective system. Go into it when you may, it will be almost impossible to get out of it. Begin the war of duties against duties, and prohibition against prohibition, and you will find no stopping place. It will go on. The passions will be aroused on both sides. Pride will be enlisted. If you raise the duty on one article in order to force a reduction on another, instead of reduction, additional duties will be laid to countervail yours. If you prohibit on one article, to force the removal of prohibition on another, it will, in like manner, be met by prohibition on some third article. In every instance there will be less resistance to increased duties on one side than to the reduction of the duties on the opposite, and to adding to the list of prohibited articles on one side than diminishing the list on the other.

It is easy to see the end. We should have the protective tariff in the worst possible form, still more oppressive and more difficult to throw off. I proclaim the danger in advance, and I call on those interested to be on their guard.

In guarding against the danger of the retaliatory system, I am not insensible to the unequal and oppressive duties under which some of our great staples, and especially tobacco, labor in many of the countries with which we have commercial relations, to the great injury of both them and us. I hope the folly of such a policy will yield to the growing intelligence of the age; and I do trust that those who may be charged with the Executive Department of the Govern-

ment will spare no efforts, nor lose any opportunity, to remove the evil, through the agency of negotiation and argument; but I trust that the Government will not go a step beyond.

It would be, at best, but to injure ourselves in order to spite others. I hope that some more suitable occasion may be presented to go fully into this important subject before the termination of the session.

SPEECH

On the Bankrupt Bill, delivered in the Senate, June 2d, 1840.

Mr. Calhoun said: It was impossible to listen to this discussion, without being struck with the difficulty of the subject, and the number and delicacy of the questions involved. The relation of creditor and debtor was, indeed, the all-pervading one in our country, and ought not to be touched without much deliberation and caution. This bill, and the amendment proposed, taken together, embrace this universal relation, almost to its utmost extent and minutest ramification, and ought to be examined with corresponding care and attention.

I was at first inclined to favor the bill; but the discussion and reflection have brought me to the conclusion that it is unconstitutional, and therefore could not receive my support, if there were no other objection. The power of Congress is restricted by the constitution, to establishing laws on the subject of bankruptcies. That is the limit of its power. It cannot go an inch beyond, on the subject of this bill, without violating the constitution. Thus far all must be agreed.

After full and deliberate investigation, I cannot regard this bill as one on the subject of bankruptcy. It relates, in my opinion, to another, but connected subject, not embraced in the constitution—that of insolvency, miscalled voluntary bankruptcy—as I hope to be able to establish.

In order to understand the ground on which my opinion rests, it will be necessary to premise—what none have denied or can deny—that, at the time of the formation of the constitution, there existed, both in this country and in England, from which we derived our laws, two separate systems of laws, growing out of the relation of creditor and debtor; the one known as the system of bankruptcy, and the other of insolvency.

The two systems had existed together in England for centuries, and in this country from an early period of our colonial governments. It would be useless to waste the time of the Senate in accumulating proof of a fact beyond controversy. This very bill, and the only one ever passed by Congress on the subject of bankruptcy, bear internal evidence of the fact. The decisions of judges recognize the distinction, and elementary works place them under distinct heads, and in separate chapters. The distinction is one neither of form nor accident. The two systems, in commercial communities, naturally grow up out of the relation of creditor and debtor, but originate in different motives, and have different objects, which give different character and genius to the two.

The system of insolvent laws grew out of the debtor side of the relation, and originated in motives of humanity for the unfortunate but honest debtor, deprived of the means of paying his debts by some of the various unforeseen accidents of life, and, in consequence, exposed to the oppression of unfeeling creditors. Their object is to relieve him from the power of his creditors, on an honest surrender of all his property for their benefit.

Very different are the motives and objects in which the

laws of bankruptcy originated. They grew out of the creditor side of the relation, and form a portion of the mercantile or commercial code of laws. Their leading object is to strengthen the system of commercial credit, with the view of invigorating and extending commercial enterprise; and we accordingly find that the system commenced in the commercial republic of Venice, and has been confined exclusively, so far as my knowledge extends, to commercial communities. Though growing out of the same relation, and to that extent connected, the two are as different in genius and character as the different aspects of the relation out of which they grow. The one looks to credit and the creditor interest, and the other to the debtor, and the obligations of humanity towards him, when, without demerit on his part, he is utterly deprived of the means of meeting his engagements.

It is true, indeed, that the insolvent system, in its humanity for the debtor, is not unmindful of the interest of the creditor; neither does the bankrupt system, in guarding the interest of credit and creditors, forget that of the debtor. But this, though it has, to a certain extent, blended the two, and caused some confusion in practice, cannot obliterate the essential and broad distinction between them. Nor is it necessary, with my object, to trace the history of the legislation in relation to them in this country and England, with the judicial decisions, in order to show that the two systems, though blended and confounded in part, have, nevertheless, retained their distinctive features. It is enough for me that there were, when the constitution was adopted, two separate systems, known both to our laws and the English, such as I have described

I next assert, that the members of the convention that framed the constitution could not have been ignorant of the fact, that there were two such systems, known by the names of bankrupt and insolvent laws. The convention abounded with able lawyers, many of whom were among the most dis-

tinguished and influential members of the body, and could not but be as perfectly familiar with the whole subject as we now are, after this long and able discussion.

Now, Sir, I ask, is it to be supposed, that if they intended to delegate to Congress power over both systems, these able and cautious men, so familiar with the distinction between them, would not have included both by name? And is it not conclusive, that in not doing so, and in limiting the grant to bankruptcy alone, it was their intention to grant that only, to the exclusion of insolvency? Do we not feel, that if we were framing a constitution, with our present knowledge of the subject, such would be our course? If we intended to grant both, would we not insert both? And would not the insertion of bankruptcy only, be intended to exclude insolvency? The conclusion appears irresistible. How is it met? By admitting (for it cannot be denied) that such would be the case, if the words of the constitution are to be taken in their legal sense; but it is asserted that our constitution was made for the people at large, and on this assumption it is inferred that it ought to be interpreted, in all cases, according to the ordinary meaning of the words used, and not in their legal sense. Having arrived at this conclusion, it is next contended, that, according to their ordinary sense, bankruptcy and insolvency are convertible terms, and of the same meaning; and it is thence inferred that the framers of the constitution intended to comprehend both under the former.

I might well deny both the premises and conclusion. It might be easily shown that in many cases the words of the constitution must be, and have been, constantly taken in their legal sense, and that, according to the established rules of construction, they ought to be so taken in this. It might be also shown that they are not convertible, in common use; that insolvency is the general term, and includes bankruptcy. But I deem all this unnecessary. I admit, for the

sake of argument, both premises and conclusion, but deny the application. Taken unconnected with other words, insolvency and bankruptcy may be admitted to have the same meaning, and that the one may stand for the other; but that is not this case. In the constitution, bankruptcy stands in connection with law, which, attaching itself to it, fixes its meaning. Now, Sir, I assert, however the terms bankruptcy and insolvency may be confounded, standing alone, no one—no, not the most uninformed, confounds bankrupt laws with insolvent laws. They never call the insolvent laws of the States bankrupt laws. They may not be able to draw the distinction with any precision, but they know that they are not the same.

But admit that there is doubt. I ask, what is the rule of interpretation to be applied to the constitution in case of doubt? It is a fundamental principle that Congress has no right to exercise any power whatever that is not granted by the constitution. To do so would be an act of usurpation, and, if knowingly done, a violation of oath. Hence, in cases of doubt, it is a just caution to take the words in their limited sense, and not in their broad and comprehensive—a rule at all times considered as essential to the safety of the constitution by those of the State Rights creed. Apply it to this case, and the controversy ceases. Let me add that there are few subjects, in reference to which it is more necessary to apply the most rigid rules of construction, than to that of the all-pervading relation of debtor and creditor. It is one on which the slightest encroachment is dangerous, and might, in its consequences, draw into the vortex of this Government the whole of that vast relation in its fullest extent, and with it the entire money transactions of the Union, as will be manifest in the sequel.

If, after what has been said, doubts should still exist, they may be removed by turning to another provision of the constitution, standing in close connection with this. I have

said that the bankrupt system grew out of the commercial policy, and made a part of it. The provision I refer to is that which grants to Congress the power of regulating commerce. This grant carried with it several others, as connected powers, such as that of coining money and regulating the value thereof; fixing an uniform standard of weights and measures; and we accordingly find these, with the power of establishing laws of bankruptcy, all grouped together, and following, in close connection, the parent power of regulating commerce; just where we would expect to find it, regarded in the light I do, but not, if taken in the broader and more general sense of insolvency, in which it would comprehend far more than what relates to trade, and what, under our system, belongs to the mass of local and particular powers reserved to the States.

So irresistible does the conclusion at which I have arrived appear to me, that I have been forced to inquire how it is that any one in favor of a strict construction of the constitution could come to a different, and can find but one explanation. We are in the midst of great pecuniary embarrassment, suddenly succeeding a period of several years of an opposite character. There are thousands, who, but a short time since, regarded themselves as rich, now reduced to poverty, with a weight of debt bearing them down, from which they can never expect to extricate themselves, without the interposition of Government. The prevailing opinion is, that the legislatures of the States can apply no remedy beyond the discharge of the person, and that there is no other power that can give a discharge against debts, and relieve from the burden, but Congress. That so large and enterprising a portion of our citizens should be reduced to so hopeless a condition, makes a strong appeal to our feelings, of which I am far from being insensible. It is not at all surprising, that, under the influence of such feelings, judgment should yield to sympathy; and that, under the impression there is no other remedy, one

should be sought in a loose and unsafe construction of the constitution; and hence the broad construction contended for. I appeal to the candor of my State Rights friends, who differs from me on this occasion, if what I state is not the true explanation. If I mistake not, it might be safely asserted that there is not one among them who would yield the power to this Government, if he believed the State legislature would apply a remedy. I, on my part, neither assert nor deny that they can; but I do assert, that if the States cannot discharge the debt, neither can Congress.

I hold it clear, if by discharging the debt be meant releasing the obligation of a contract, either in whole or in part, that neither this Government nor that of any of the States possesses such a power. The obligation of a contract belongs not to the civil or political code, but the moral. It is imposed by an authority higher than human, and can be discharged by no power under heaven, without the assent of him to whom the obligation is due. It is binding on conscience itself. If a discharged debtor had in his pocket the discharges of every government on earth, he would not be an honest man, should he refuse to pay his debts, if ever in his power. In this sense, this Government is just as powerless to discharge a debt as the most inconsiderable State in the Union.

But the subject may be viewed in a different light. It may be meant that Government is not bound to lend its aid to a hard and griping creditor, in the cruel attempt to coerce the honest but unfortunate debtor, who has lost his all, to pay his debts, when it is utterly beyond his power. Certainly not; and, in that sense, every Government has the right to discharge the debt, as well as the person. They both stand on the same ground. It is a question of mere discretion, when and in what manner the Government will give its aid to enforce the demand of the creditor; but, thus regarded, State legislatures are just as competent to

discharge the debt, under their insolvent laws, or, in the absence of our legislation, under their bankrupt laws, as Congress itself. In proof of what is asserted, I might cite the laws of many of the States, and my own among others, which discharge the debt as well as the person, as far as the suing creditors are concerned—the constitutionality of which, as far as I know, has never been questioned. It would, indeed, be a violent and unreasonable presumption, to suppose that, in granting the right to establish laws of bankruptcy, the States intended to leave Congress free to discharge the debt, and at the same time imposed on themselves an obligation to forbear the exercise of the same power in the case of insolvency or bankruptcy, should Congress decline to exercise the power granted. Nor can such be the intention of the provision in the constitution which prohibits the States from passing laws impairing the obligation of contracts. The history of the times amply proves that the prohibition was intended to apply to stay laws, and others of a similar description, which State legislatures had been in the habit of passing, in periods like the present, when a sudden contraction of our always unstable currency, had succeeded a wide expansion, and when large portions of the community, with ample means, found themselves unable to meet their debts; but who, with indulgence, would be able to meet all demands. The objects of all these laws were either to afford time, or to protect the debtor against the hardship of paying the same nominal amount, but in reality a much greater, in consequence of a change in the standard of value, resulting from a contraction of the currency. As plausible as was the object, experience had proved it to be destructive of credit, and injurious to the community, and hence the prohibition. To extend it beyond, and give a construction which would compel the States, whether they would or not, to lend their aid to the merciless creditor, who would reduce to despair an innocent, but unfortunate debtor, with-

out benefit to himself, and thereby to render him a burden to himself and society, would be abhorrent to every feeling of humanity, and principle of sound policy. It is impossible for me to believe that such was the intention of the constitution. Nor can I be reconciled to a construction which must have the effect of enlarging the powers of this Government, and contracting those of the States, in relation to the delicate and all-pervading relation of debtor and creditor, by throwing on the side of the former the powerful considerations of humanity and sympathy for a large and unfortunate portion of the community.

Having now established, I trust, satisfactorily, that the framers of the constitution, in restricting the power of Congress to establishing laws of bankruptcy, intended to exclude those of insolvency, it remains to be shown that this bill belongs to the latter class, and is, therefore, unconstitutional. And here I might shift the burden of proof to the other side, and demand of them to prove that it is a bankrupt, and not an insolvent bill. They who claim to exercise a power under this Government, are bound to exhibit the grant, and to prove that the power proposed to be exercised is within its limits—to show, in this case, what a law of bankruptcy is—how far its limits extend—that this bill does not go beyond; and, in particular, that it does not cover the ground belonging to the connected power of insolvency reserved to the States. Till that is done, they have no right to expect our votes in its favor. The task is impossible. Every feature of the bill bears the impress of insolvency. The arguments, urged for and against it, demonstrate it. Have its advocates uttered a word, in urging its passage, in favor of credit or creditors? On the contrary, have not their warm and eloquent appeals been in behalf of the unfortunate and honest debtors, who have been reduced to hopeless insolvency by the embarrassment of the times? And has it not been attacked on the ground that it would

be ruinous to credit, and unjust and oppressive to creditors? Every word uttered on either side, proves that it belongs to the class of insolvent laws, and is, therefore, unconstitutional. As such, it cannot receive my support, were it free from other objections.

But as decidedly as I am opposed to the bill, I am still more so to the amendment proposed as a substitute by the minority of the committee. It contains a provision in favor of insolvent debtors, similar to that of the bill; and is, of course, liable to the same objections. But it goes much further, and provides for a comprehensive system of compulsory bankruptcy, as it is called; that is, as I understand it, bankruptcy as intended by the constitution. As far as the provisions of this portion of the bill are limited to individuals, I admit its constitutionality, but object to it on the broad ground of expediency.

It is impossible for any one to doubt, who will examine the history of our legislation, that there must be some powerful objection to the passage of laws of bankruptcy by Congress. No other proof is needed than the fact, that although the Government has been in operation for more than half a century, and the power is unquestionable; yet, in that long period, notwithstanding the numerous and strenuous efforts that have been made, but a single act has passed; and that, though limited to five years, was repealed before the expiration of the time. If we inquire into the cause, we shall find it, in part at least, in the genius of our institutions, and the character of our people, which are abhorrent to whatever is arbitrary or harsh in legislation, than which there is nothing, in its wide range, more so than the laws of bankruptcy. They give the creditors the most summary and efficient process against the debtors, of which we may be satisfied, by looking into the provisions of this amendment. On the mere suspicion of insolvency, or fraud, one or more creditors, to whom not less than five hundred dollars is due, may take

out a process of bankruptcy against the debtor, by applying to a judge of the Federal Court; and on his order, without jury, he may be divested of his property, and the whole of his estate placed in the hands of assignees, with authority to wind up and settle his affairs, and distribute the proceeds among his creditors.

But as repugnant as a process so summary and arbitrary is to the genius and character of our institutions and people, there is another objection connected with our currency still stronger. It has been the misfortune of our country, at all times, with the exception of some short intervals, to be cursed with an unsound and unstable paper currency, subject to sudden and violent expansions and contractions. It belongs to such currency, in the period of its expansion, to excite an universal spirit of enterprise and speculation, particularly in a country so new, and rapidly increasing, and of such vast capacity for increase, as ours. Universal indebtedness is the result, followed on the contraction by wide-spread embarrassment, reducing thousands to hopeless insolvency, and leaving a still greater number, though possessed of ample property to pay their debts in ordinary times, without money or the means of getting it, to meet the demands against them. What can be imagined more oppressive, unjust, or cruel, than to place, at such a period, such a power in the hands of hard and grasping creditors?

Now, Sir, we are in the midst of such an one—a period of almost unexampled contraction, following one, remarkable, above all others, for the extent and duration of the expansion; for the universality and boldness of speculation, and the extent and severity of the embarrassment which has followed. Such is the period selected to arm the creditors against the debtors, with the harsh, summary, and arbitrary power of a bankrupt law—a period, such as the States, in former times, interposed, with stay laws, valuation laws, and others of like description, to save the debtor struggling

against an adverse current, and who, if allowed time, could save himself and family from poverty. This amendment proposes to reverse this humane but misguided policy, and instead of interposing in favor of the embarrassed but solvent debtors, to arm their creditors with more powerful means to crush them. I say misguided policy. I will not call it unjust. On the contrary, there is a strong principle of justice at the bottom in favor of interposing at such a period as the present, if it could be done on principles of sound policy. The condition in which so large a portion of our people now find themselves, in debt, with ample means of discharging all they owe, if time be allowed, but incapable of immediate payment, is much less their fault than that of the improvident legislation of the States, countenanced by this Government, and by which the solid and stable currency of the constitution has been expelled, and an unsound, vacillating one of bank-notes substituted in its place, incapable of discharging debts. By its sudden, violent, and unexpected fluctuations, alternately raising and depressing prices, tempting, at the one period, to contract debts, and leaving debtors at the other, without the means of paying—the whole country, even the cautious and prudent, have become involved in debt and embarrassment. To this cause may be traced the present condition of the country, and the many similar ones through which the country has of late so frequently passed, in which few are out of debt; and of the indebted, though few are actually insolvent, but a small portion could pay their debts, if demanded in legal currency. And shall we, who are, at least in part, responsible for such a state of things, at such a period, when the debtors are so much at the mercy of the creditors, reversing the ill-judged, but humane policy wisely prohibited to the States by the constitution, of interposing in favor of the debtors, arm the creditors with new and extraordinary powers of enforcing their demands? Who is there that does not feel that it

would be impolitic, cruel, and unjust? But it is only at such periods that bankrupt laws are proposed; and is it at all wonderful that the instinctive feelings of the community have so steadily and strongly resisted their adoption?

On no occasion has there been stronger cause for resistance than the present; for on none would such a law be more impolitic and cruel; and such, if I may judge from the discussion, is the feeling of this body. Standing alone and limited to individuals, I doubt whether the portions of the amendment under immediate consideration would receive a single vote, although it is the only part which is clearly and unquestionably within the limits of the constitution. It may, then, well be asked, if it is without supporters, why is it inserted? But one answer can be given; because it is felt, as obnoxious as it is, to be indispensable to the passage of the provisions connected with it. One portion of the Senate is so intent on passing the part in favor of insolvent debtors, that they are willing to take with it the compulsory portion, in favor of creditors; while another, from a strong desire to include corporations, are willing to comprehend the other provisions, though they denounce the provisions in favor of insolvent debtors, standing alone, as fraudulent, unjust, and unconstitutional. It is thus the two extremes unite in favor of a measure that neither would support alone; and a feature of the bill, obnoxious of itself, but constitutional, is made to buoy up other portions, which, if not clearly unconstitutional, to say the least, are of doubtful constitutionality.

Let me say to those who represent the portion of the Union where the indebtedness is the greatest, and who, on that account, favor the provisions for the relief of the insolvent, that the operation of the amendment, should it pass, will disappoint them. The part in favor of the debtors may, indeed, throw off the burden from many, who are now hopelessly insolvent, and restore their usefulness to themselves

and society; but the other provisions will reduce a far greater number to insolvency, who might otherwise struggle through their embarrassments, with a competency left for the support of themselves and families. I cannot be mistaken. Should the amendment, as it now stands, become a law, instead of relieving, it would crush, the indebted portion of the Union. In order to make good the assertion, I will now turn to the novel and important provision which places certain corporations and banks among them, under this compulsory process.

I am not the apologist of banks or corporations generally, nor am I the advocate of chartered privileges. On the contrary, there is not a member of the body more deeply impressed with the evils of the banking system, as now modified, or more opposed to grants of privileges to one portion of the community, at the expense of the rest. My opinions on these points have not been recently or hastily formed. I long since embraced them, after much reflection and observation, and am prepared to assert and maintain them on all proper occasions. But, Sir, I am not to be caught by words; I have too much experience for that. It is in vain that I am told that this is a contest between corporations and individuals—the artificial, legal person, called a body politic, and the individual man, as formed by his Creator. All this is lost on me. I look not to where the blow is professedly aimed, but beyond, where it must fall. The corporate, ideal thing at which it is said to be directed, is intangible, and without the capacity of hearing, seeing, or feeling; but there are beneath, thousands on thousands, not shadows, but real, sensitive human beings, on whom the blow will fall with vengeance. Before we act, let us look at things as they really are, and not as we may imagine them, in the fervor of debate.

The States have, by an unwise and dangerous legislation, centralized in banks and other corporations, to a very great extent, the relation of creditor and debtor. Were I to assert that these central points could not be touched, without

touching, at the same time, that wide-spread and all-pervading relation, in its minutest and remotest ramification, I would scarcely express myself too strongly. To subject them to this measure would, then, be to subject to it, in reality, almost the entire relation of creditor and debtor. It would be bankrupting by wholesale—a prompt and forced settlement of the aggregate indebtedness of the country, under all the pressure of existing embarrassments, made many-fold greater by the measure itself.

In order that the Senate may have some idea how vast and comprehensive the measure is, I will give a statement from the paper in my hand, which contains the most recent account we have of the number and condition of the banks.

There were, then, by estimation, on the first of January last, upwards of nine hundred banks, including branches, with a capital of upwards of three hundred and fifty millions, having debts due to them of more than four hundred and sixty millions, and by them of more than two hundred and seventy millons, making the aggregate indebtedness, to and by them, upwards of seven hundred and ten millions of dollars, with a supply of specie but little exceeding thirty-three millions. By including the banks, this vast amount of indebtedness, concentrated in the banking system, would be subject to the operation of the law, should the measure be adopted. But the amendment extends far beyond, and takes in all corporations for manufacturing, commercial, insurance, or trading purposes; or which issue, pay out, or emit bills, drafts, or obligations, with the intention of circulating them as a substitute for money; which would add to the indebtedness brought within its operations, hundreds of millions more. Never was a scheme of bankruptcy, so bold and comprehensive, adopted, or even proposed, before: no, not in England itself, where the power of Parliament is omnipotent, and where the system has been in operation for three centuries.

Such is the measure proposed to be adopted, at such a

period as this, when there is a universal and intense pecuniary embarrassment—when one-half of the banks have suspended payments, and when their available means of meeting their debts are so scanty. At such a period, and under such circumstances, any creditor, or creditors, to whom a bank, or other corporation, may owe not less than five hundred dollars, may demand payment; and if not paid in fifteen days, may take out process of bankruptcy, on application to the Federal Courts, and place the corporation, with all its debts, credits, and assets, in the hands of trustees, to be wound up, and the proceeds distributed among its creditors. I venture nothing in asserting, that one-half of the banks, in numbers, and amount of capital, and a large portion of the other corporations, might be forthwith placed in commission, should the measure be adopted; which, including debts, credits, capital, and assets, would amount at least to seven or eight hundred millions, all to be converted into cash, and distributed among those entitled to it. How is this to be done? Where is the cash to be had, at such a period as this, particularly when one-half of the banks would be closed, and their notes equalling one-half of the present scanty supply of currency, would cease to circulate? What sacrifices, what insolvencies, what beggary, what frauds, what desolation and ruin, would follow!

But would the calamity fall with equal vengeance on all the land, or would there be some favored, exempted portion, while desolation would overshadow the residue? Let the document* which I hold answer. It is a communication from the President, transmitting a report from the Secretary of the Treasury to this body, dated the 8th January last, containing a list of the suspended and non-suspended banks, of last year, arranged according to States, beginning with Maine. I find, on turning to the document, that there are nine hun-

* No. 72 of the Senate, present session.

dred and fifty-nine banks, including branches, in the Union; of which five hundred and thirty-eight are in New-England and New-York. Of this number but seven are suspended, if Rhode Island be excepted. Her banks all suspended, but I understand have since resumed. The Senator near me, from that State (Mr. Knight), can answer whether such is the fact.

[Mr. Knight assented.]

There are, then, Sir, in New-England and New-York five hundred and thirty-one banks which are not suspended, and but seven that are. Now, Sir, if we cross the Hudson, and cast our eyes South and West, we shall find the opposite state of things. We shall find there four hundred and twenty-one banks; of which three hundred and sixty-eight suspended in whole or in part, and fifty-three did not. It is probable that the present proportion is still more unfavorable.

Can we doubt, with these facts, where the storm will rage with all its desolating fury? Is there any one so credulous as to believe that any one of the suspended banks, throughout that vast region, or many of the non-suspended, under the panic which the passage of the act would cause, could meet their debts, and thereby escape the penalties of the act? And if not, is there any one here prepared to place at once all the banks south and west of New-York, with few exceptions, in the hands of assignees, under the jurisdiction and control of the Federal Courts? Is there any one willing that their doors should be all at once closed; their notes cease to circulate; their affairs be wound up; their debts to and from them be forthwith collected; their property and assets converted into money by Federal officers, acting under Federal authority, and all that might be left from plunder, fraud, and forced sales, distributed among creditors? And how, I ask, is so mighty a concern, amounting in the aggregate, certainly to not less than five or six hundred millions of dollars, to be at

once wound up? Where is the money to be found to pay the debts to and from the banks, and to purchase the vast amount of property held by them and their debtors, which must be brought at once under the hammer?—where found, after their notes have ceased to circulate, (as they would, as soon as process of bankruptcy is taken out against them), and before specie could come in to supply their place? Were it possible to carry through the measure, it would spread unheard of destruction and desolation through the vast portion of the Union, on which the blow would fall; such as the marching of hostile armies from one extremity to another; the sweep of tornadoes; the outpouring of floods; or the withholding from the parched and thirsty earth the fertilizing droppings of the clouds, would give but a faint conception of. But it would be impossible. If you were to adopt the measure, you would ordain what would not, could not be executed. Public indignation would paralyze the hand of the grasping creditor, stretched to execute it, and sweep your act from the statute book ere it could be enforced.

I turn now from the immediate effects of the measure, were it possible to carry it into effect, to inquire what would be its permanent effect, if adopted. Its first effect, after the desolating storm had passed over, would be to centralize the control over all the banks that might be spared, or thereafter chartered, in the banks located where the public revenue would be principally collected and disbursed; and where that would be, I need not say. The reason is obvious. The fiscal action of the Government would keep the exchanges steadily and permanently in its favor. Now, Sir, every man of business knows, that the banks located at the point where exchanges are permanently favorable, can control those where they are unfavorable. The reason is obvious. The former can draw on the latter with profit; and, through their drafts, command their specie, or notes, at pleasure, while the reverse is the case with the latter. Hence the consequence would

be control on one side, and dependence on the other, increasing with the increasing amount of collection and disbursements, which, by their absorbing character, would draw with them the imports and exports, with an increased control over the exchanges. Add to this the power which this measure would place in the hands of the banks at the favored points, and I hazard nothing in asserting that it would at all times be in their power to crush, by a sudden and unexpected run, the banks elsewhere, which might incur their displeasure, with greater ease, and more effectually, than the late United States Bank, in its most palmy days, ever could.

The next permanent effect would be, to place the whole banking system under the control of this Government. It would hold over the banks the power of life and death. The process of bankruptcy against an incorporation is but another name for its death-warrant. It would give, with the power of destroying, that of regulating them, without regard to their chartered rights. The same bold construction that would authorize Congress to subject them to a bankrupt law, would give it the power to determine at pleasure what shall or shall not constitute acts of bankruptcy, by which it might limit the extent of their business, fix the proportion of specie to liability, and make it a condition for one dollar in circulation, there should be a dollar in their vaults. The possession of such a power would give Congress more unlimited control over the banks, than that which the States that incorporated them, possess, or which you would possess over a Bank of the United States, chartered by yourselves. Your power over such an institution, and the States over their own banks, would be limited by the acts of incorporation; while yours over the banks of the States, with the bankrupt power in your hands, would be without any other limitation, than your discretion.

It is easy to see that the complete subjugation of the State banks to your will, must be the result of such unlim-

ited control; and not less easy, that with their subjugation the conflict between this Government and the banks would cease, to be followed by a close and perpetual alliance. It is in the nature of government to wage war with whatever is opposed to its will, and to take under its protection that which it has subdued; nor would the banks be found to be an exception. They would be forced to conciliate the good will of the Government, on which both their safety and profit would depend; and in no way could they more effectually do that, than by upholding its power and authority. They would be thus forced, by the strongest appeals to both their fear and hope, into the political arena, with their immense power and influence, and to take an active and decided part in all the party strifes of the day, throwing their weight always on the side which their safety and profit might dictate. The end would be the very reverse of that for which we, who are in favor of a divorce of Government and banks, have been contending for the last three years. Instead of divorce, there would be union; instead of excluding the banks from the political struggles of the day, they would be forced to be active and zealous partisans in self-defence; and instead of leaving the banks to the control of the States, from which they derive their charters, you would assume over them a control more powerful and unlimited, than has ever been before exercised over them by this Government, either through the pet banks or a National Bank. This control would be the greatest at the principal points of collection and disbursement—the very point where that of the local banks would be the greatest over all others. It follows that the Government would have the most decisive and complete control over those that would control all others; and, by lending their powerful aid and influence to maintain their control, would in reality control the whole banking system; thus making, in effect, the banks at the favored points the National Bank, and the rest virtually but branches. If to this we add the

control which it would give over the other and powerful corporations enumerated in the amendment, it may be safely asserted, that the measure, if adopted, would do more to increase the power of this Government, and diminish that of the States—to strengthen the cause of consolidation, and weaken that of State Rights—than any which has been assumed by Congress.

Having pointed out the consequences, I now demand, in the name of the constitution, what right has Congress to extend a bankrupt act over the incorporated institutions of the States, and thereby seize on this immense power? The burden of proof is on those who claim the right, and not on us who oppose it. I repeat, ours is a government of limited powers, and those who claim to exercise a power, must show the grant—a clear and certain grant, in case of a power so pregnant with consequences as this.

I ask, then, those who claim this power, on what grounds do they place it? Do they rest it on the nature of the power, as being peculiarly applicable to banks and the other corporations proposed to be embraced? If so, frail is the foundation. Never was power more unsuited to its subject—so much so, that language itself has to be forced and perverted to make it applicable. Taking corporations in their proper sense, as bodies politic, there is scarcely a single portion of the whole process, beginning with the acts of bankruptcy, and extending to the final discharge, applicable to them. What one of the numerous acts of bankruptcy can they commit? Can they depart from the State, or be arrested, or be imprisoned, or escape from prison, or, in a word, commit any one of the acts without which an individual cannot be made a bankrupt? No, but they may stop payment, and thereby subject themselves to the act. True; but how is the process to be carried through? The provision requires the bankrupt to be sworn: can you swear corporations? It requires divers acts to be done by the bankrupt, under the

penalty of imprisonment: can you imprison a corporation? It directs a discharge to be given to the bankrupt, which exempts his person and future acquisitions: can a corporation receive the benefit of such discharge? No; the process itself is the dissolution, the death of the corporation. It is thus that language is forced, strained, and distorted, in order to bring a power so inapplicable to the subject to bear on corporations. It would be just as rational to include corporations in insolvent laws, which none has been, as yet, so absurd as to think of doing.

The right, then, cannot be inferred from the nature of the power. On what, then, can it stand? On precedents? I admit that if, at the period of the adoption of the constitution, it was the practice to include corporations in acts of bankruptcy, it would go far to establish that it was intended by the constitution to include them. But the reverse is the fact. As long as the system has been in operation, there is not a case where a corporation was ever included, either in England, this country, or any other, as far as can be ascertained, nor ever proposed to be. The attempt in this case is a perfect novelty, without precedent or example; and all the force which it is acknowledged the practice of including them would have given in favor of the right, is thus thrown, with a weight equally decisive, against it.

But we have not yet approached the real difficulty. If the power was ever so appropriate, and the only one that was—if precedents were innumerable—it would only prove that this Government would have the right of applying the power to incorporations of its own creating. It could not go an inch beyond, and would leave the great difficulty untouched—the right of Congress to include State corporations in an act of bankruptcy passed by its authority. Where is such a power to be found in the constitution? It seems to be forgot that this and the State Governments are co-ordinate governments, emanating from the same authority, and

making together one complex, but harmonious and beautiful system, in which each, within its allotted sphere, is independent, and coequal with the other. If one has a right to create, the other cannot have the right to destroy. The principle has been carried so far, that in the case of the State of Maryland and McColough, the Supreme Court, after elaborate argument, decided that a State, in the exercise of its undoubted right of taxing, could not tax a branch Bank of the United States, located in its limits, on the ground that the right of taxing, in such case, involved the right of destroying. Admit, then, Congress had the right to include corporations of its own creation; still, according to the principle thus recognized, it could not include those created by the States, —unless, indeed, the fundamental principle of our system, admitted even by the extreme consolidation school of politics, that each government is coequal and independent within its sphere, should be denied, and the absolute sovereignty of this Government be assumed. If, then, the States have a right to create banks, and other corporations enumerated in the amendment, it follows that Congress has not the right to destroy them; nor, of course, to include them in an act of bankruptcy, the very operation of which, when applied to corporations, is, to destroy. But whether they have or have not the right, belongs not to Congress to decide. The right of the separate legislatures of the States to decide on their reserved powers, is as perfect as that of Congress to decide on the delegated. Each must judge for itself in carrying out its powers. To deny this, would be virtually to give a veto to Congress over the acts of the State legislatures—a power directly refused by the convention, though anxiously pressed by the National party in that body.

Such and so conclusive is the argument against the right; and how has it been met? We are told that the States have greatly abused the power of incorporation. I admit it. The power has been sadly and dangerously abused. I stand not

here to defend banks or other incorporations, or to justify the States in granting charters. No ; my object is far different. I have risen to defend the constitution, and to resist the inroads on the rights of the States. In the discharge of that duty I ask, can the abuse of the right of granting bank or other charters, give you the right to destroy or regulate them ? Are you ready to admit the same rule, as applied to your own powers ? Have the State legislatures abused their powers more than Congress has its powers ? Has it not abused, and grossly abused, its powers of laying taxes and appropriating money ? And what assurance is there, with these examples before us, that Congress would not equally abuse the right of controlling State corporations, which is so eagerly sought to be vested in it by some ? But we are also told that bank paper—worthless, irredeemable bank paper —has deranged the currency, and ought to be suppressed. I admit the fact. I acknowledge the mischief, but object to the remedy, and the right of applying it. I go further. If the evil could give us the right to apply any of our powers to remedy it, regardless of the constitution, the taxing power would be far more simple, efficient, and less mischievous in its application. It would be applied to the specific evil. That which has deranged the currency, and defeated the object of the constitution in relation to it, is the circulation of bank-notes. There lies the evil ; and to divest the banks of the right of circulation, is to eradicate it. For that purpose, what remedy could be more simple, safe, and efficacious, than the taxing power, were it constitutional ? By its means, bank-notes might be gradually and quietly suppressed, and the banks left in full possession of all their other functions unimpaired. There is but one objection to it, but that a decisive one—its unconstitutionality. It would be a perversion of the taxing power, given to raise revenue. To apply it to suppress or regulate the circulation of bank-notes, would be to *change its nature entirely*, from a *taxing* to a *penal*

power, and is therefore unconstitutional; but not more so than to include banks and other corporations in an act of bankruptcy, as proposed by the amendment, while in every other respect, it would be greatly preferable.

One other ground still remains to be considered. The authority of influential names has been resorted to, in order to supply the defect of argument. The names of two distinguished individuals, who formerly filled the Treasury Department, have been introduced—Mr. Dallas, and Mr. Crawford—in favor of the right of including banks. If this was a question to be decided by authority, it would be easy to show that their opinions, able as they were, would be entitled to little weight in this case. They were casually and incidentally given in a report on another subject, and that calculated to lead them to an erroneous view in reference to this power. Such an opinion given, under such circumstances, by the ablest judge, would have little weight in a private case, even in a court of justice, and ought to have none in this body, on a great constitutional question. Besides, it is well known that the opinion of both was in favor of the constitutionality of a National Bank;—and that, too, after a full and deliberate consideration of the subject. Now, Sir, I put the question to the Senators who have quoted their casual opinion, in favor of the constitutionality of including banks in a bankrupt law, are they willing to adopt their well considered and solemnly delivered opinion in favor of the right to incorporate a bank? And if not, how, on the ground of precedent, can they adopt the one and reject the other? The names of other distinguished individuals have been quoted —Randolph, Macon, White, Smith, and others—but, in my opinion, unfairly quoted. It is true, they voted, in 1827, when the Bankrupt Bill was then before the Senate, in favor of an amendment to include banks; but it is equally so, that the amendment was moved at the end of a long debate, when the Senate was exhausted, and that it was but slightly

discussed. But, what is of more importance, they were opposed to the bill; and, as the amendment came from a hostile quarter, and was clearly intended to embarrass the bill, it is not improbable that it received the votes of many with the view of destroying the bill, without thinking whether it was constitutional or not; just as some, no doubt will vote against the opposite amendment, to strike the banks out, now under consideration, from the belief that it is the most effectual means of destroying this bill. But if the question is to be decided by weight of names, and the vote on the occasion to be the test, the weight is clearly on the opposite side. The vote stood, 12 to include the banks, and 35 against; and among the latter will be found names not less influential—those of Tazewell, Rowan, Hayne, Berrien, the present Secretary of the Treasury, and finally that of the present Chief Magistrate. But why attempt to decide this question by the weight of names, however distinguished? Do we not know that all those referred to belonged to the political school which utterly repudiates the authority of precedents in construing the constitution, and who, if they were now all alive, and here present as members of the Senate, would not regard the name of any man in deciding this important constitutional question?

I have now presented the result of my reflections on this important measure. To sum up the whole in a few words, I am of the opinion that the whole project, including the bill and the amendment, is unconstitutional, except the provisions embracing compulsory bankruptcy, as it is called, as far as it relates to individuals; and that, under existing circumstances, is highly inexpedient. Thus thinking, I shall vote, in the first instance, against striking out the bill, and inserting the amendment, and if that succeeds, against the bill itself.

SPEECH

On the Prospective Pre-emption Bill, delivered in the Senate, January 12th, 1841.

[The Bill to establish a permanent prospective pre-emption system in favor of settlers on the public lands, who shall inhabit and cultivate the same, and raise a log cabin thereon, being the special order of the day, was taken up, the question being on the proposition by Mr. Crittenden to recommit the Bill, with instructions to report a Bill to distribute the proceeds of the sales of the public lands among the States; which Mr. Calhoun offered to amend, by substituting a Bill to cede the public lands to the States in which they lie, upon certain conditions.]

Mr. Calhoun said: I regard the question of the public lands, next to that of the currency, as the most dangerous and difficult of all which demand the attention of the country and the Government, at this important juncture of our affairs. I do not except a protective tariff; for I cannot believe, after what we have experienced, that such a measure can again be adopted,—a measure which has done more to corrupt the morals of the country, public and private, to disorder its currency, derange its business, and to weaken and endanger its free institutions, than any other except the paper system, with which it is so intimately allied.

In offering the amendment I propose, I do not intend to controvert the justice of the eulogium which has been so often pronounced on our land system in the course of this discussion. On the contrary, I believe that it was admirably adjusted to effect its object, when first adopted; but it must be borne in mind that a measure, to be perfect, must be adapted to circumstances, and that great changes have taken place, in the lapse of fifty years, since the adoption of our land system. At that time, the vast region now covered by

the new States, which have grown up on the public domain, belonged to foreign powers, or was occupied by numerous Indian tribes, with the exception of a few sparse settlements on the inconsiderable tracts to which the title of the Indians was at that time extinguished. Since then a mighty change has taken place. Nine States have sprung up as if by magic, with a population not less, probably, than that of two-fifths of the old States, and destined to surpass them in a few years in numbers, power, and influence. That a change so mighty should so derange a system intended for an entirely different condition of things as to render important changes necessary to adapt it to present circumstances, is no more than might have been anticipated. It would, indeed, have been a miracle had it been otherwise; and we ought not, therefore, to be surprised that the operation of the system should afford daily evidence that it not only deranged, but deeply deranged; and that its derangement is followed by a train of evils that threaten disaster, unless a timely and efficient remedy should be applied. I would ask those who think differently, and who believe the system still continues to work well, Was it no evil, that session after session, for the last ten or twelve years, Congress should be engaged in angry and deeply agitating discussions, growing out of the public lands, in which one side is denounced as the friends, and the other as the enemies, of the new States? Was the increasing violence of this agitation from year to year, and threatening ultimately, not only the loss of the public domain, but the tranquillity and peace of the country, no evil? Is it well that one-third of the time of Congress should be consumed in legislating on subjects directly or indirectly connected with the public lands, thereby prolonging the sessions proportionally, and adding to the expense upward of $200,000 annually? Is it no evil that the Government should own half the lands within the limits of nine members of this Union, and over which they can exercise no authority

or control? Is it nothing that the domain of so many States should be under the exclusive legislation and guardianship of this Government, contrary to the genius of the constitution, which, intending to leave to each State the regulation of its local and peculiar concerns, delegated to the Union those only in which all had a common interest? If to all these be added the vast amount of patronage exercised by this Government through the medium of the public lands over the new States, and through them over the whole Union, and the pernicious influence thereby brought to bear on all other subjects of legislation, can it be denied that many and great evils result from the system as it now operates, which call aloud for some speedy and efficient remedy?

But why should I look beyond the question before us to prove, by the confession of all, that there is some deep disorder in the system? There are now three measures before the Senate, each proposing important changes, and the one or the other receiving the support of every member of the body; even of those who cry out against changes. It is too late, then, to deny the disordered state of the system. The disease is admitted, and the only question is, What remedy shall be applied?

I object both to the bill and the amendment proposed by the Senator from Kentucky (Mr. Crittenden), because, regarded as remedial measures, they are both inappropriate and inadequate. Neither pre-emption, nor distribution of the revenue received from the public lands, can have any possible effect in correcting the disordered action of the system. I put the question, Would one or the other contribute in the smallest degree to diminish the patronage of the Government, or the time consumed on questions growing out of the public lands,—or shorten the duration of the sessions,—or withdraw the action of the Government over so large a part of the domain of the new States, and place them

and their representatives here on the same independent footing with the old States and their representatives,—or arrest the angry and agitating discussions which, year after year, distract our councils, and threaten so much mischief to the country? Far otherwise would be the effect. It would but increase the evil, by bringing into more decided conflict the interests of the new and old States. Of all the ills that could befall them, the former would regard the distribution as the greatest, while the latter would look on the pre-emption system proposed by the Bill as little short of an open system of plunder, if we may judge from the declarations which we have heard in the course of the debate.

As, then, neither can correct the disease, the question is, What remedy can? I have given to this question the most deliberate and careful examination, and have come to the conclusion that there is, and can be, no remedy short of cession—cession to the States respectively within which the lands are situated. The disease lies in ownership and administration, and nothing short of parting with both can reach it. Part with them, and you will at once take away one-third of the business of Congress; shorten its sessions in the same proportion, with a corresponding saving of expense; lop off a large and most dangerous portion of the patronage of the Government; arrest these angry and agitating discussions, which do so much to alienate the good feelings of the different portions of the Union, and disturb the general course of legislation, and endanger, ultimately, the loss of the public domain. Retain them, and they must continue, almost without mitigation, apply what palliatives you may. It is the all-sufficient and only remedy.

Thus far would seem clear. I do not see how it is possible for any one to doubt that cession would reach the evil, and that it is the only remedy that would. If, then, there should be any objection, it can only be to the terms or conditions of the cession. If these can be so adjusted as to give

assurance that the lands shall be as faithfully managed by the States as by this Government, and that all the interests involved shall be as well, or better secured than under the existing system, all that could be desired would be effected, and all objections removed to the final and quiet settlement of this great, vexed, and dangerous question. In saying all objections, I hold that the right of disposing of them as proposed, especially when demanded by high considerations of policy, and when it can be done without pecuniary loss to the Government, as I shall hereafter show, cannot be fairly denied. The constitution gives to Congress the unlimited right of disposing of the public domain, and, of course, without any other restrictions than what the nature of that trust and terms of cession may impose; neither of which forbids their cession in the manner proposed.

That the conditions can be so adjusted, I cannot doubt. I have carefully examined the whole ground, and can perceive no difficulty that cannot be surmounted. I feel assured that all which is wanting is to attract the attention of the Senate to the vast importance of doing something that will effectually arrest the great and growing evil, resulting from the application of the system, as it exists, to that portion of the public domain lying in the new States. That done, the intelligence and wisdom of the body will be at no loss to adjust the details in such manner as will effectually guard every interest, and secure its steady and faithful management.

In the mean time, I have adopted the provisions of the bill introduced originally by myself, and twice reported on favorably by the Committee on Public Lands, as the amendment I intend to offer to the amendment of the Senator from Kentucky (Mr. Crittenden), as containing the general outlines of the conditions and provisions on which the lands may be disposed of to the States with safety and advantage to the interest of the Government and the Union, and great benefit to those States. The details may, no doubt, be greatly im-

proved; for which I rely on the intelligence of the body and critical examination of the committee, should the amendment be adopted and referred. At the present stage, I regard nothing but the great principles on which it rests, and its outlines, to be at issue; and I do hope that all who may concur with me on principle will give the amendment their support, whatever imperfection they may suppose to exist in its modifications. A measure relating to a question so vast and complicated can be perfected in its details, however sound the principles on which it rests, or correct its general outlines, only by joint consultation and counsel. With these remarks, it will not be necessary for me, at this stage, to give more than a general summary of the provisions of the proposed amendment.

Its object is to instruct the committee so to amend the bill as to dispose of all the public lands lying in the States of Alabama, Louisiana, Mississippi, Arkansas, Missouri, Illinois, Michigan, Ohio, and Indiana, with the exception of sites for forts, navy and dock yards, arsenals, magazines, and other public buildings,—the cession not to take place till after the 30th of June, 1842, and then only on the States respectively agreeing to the conditions prescribed in the amendment; that is, to pass acts irrevocably to adhere to those conditions, the most prominent of which is to pay annually, on a day fixed, to the United States sixty-five per cent. of the gross proceeds of the sales of the lands; that the land laws, as they now stand, and as proposed to be modified by the amendment, shall remain unchanged, except with the consent of Congress; that the cession shall be in full of the five per cent. fund thereafter to accrue to those States; that they shall be exclusively liable for the cost of surveys, sales, extinction of Indian titles, and management generally; that the States may, within certain prescribed limits, gradually reduce the price of the lands that may remain unsold after having been offered for sale ten years or

upward; may grant, for a limited period, the right of pre-emption for ninety days to the actual settlers, at each step in the reduction of price; and, finally, that if the conditions of cession be violated by a State in any particular, all titles or grants to land thereafter sold by the State to be null and void; thus giving the measure the force and solemnity of a compact, and placing the whole under the protection of the courts, which would pronounce the titles to be void if made after an infraction of the conditions of the cession.

It is not my intention to go into an investigation of these various conditions at this time. On a question of reference, where the principle only is at issue, it is not necessary. It is sufficient to say that the leading object is to make as little change in the land system, as it now exists, as is consistent with the object in view; and to adopt such provisions as will enforce the faithful performance of the terms of cession on the part of the States, with the least compensation for their expense and trouble, and loss to the Government, in a pecuniary point of view, consistent with the arrangement. If it can be made to appear that there are reasonable grounds to believe that the States will faithfully comply with these conditions, and that there will be no pecuniary loss to the Government, compared with the system as it now stands, in consequence of the proposed disposition, it would seem difficult to conceive what substantial objection there can be to the measure.

I am thus brought to the great, I might say the only question admitting a doubt as to the expediency of the measure. Will the States adhere to their contract? or, to express it differently, would there be danger that the Government would lose the land, in consequence of the States refusing to comply with the conditions of the cession? And if not, will the pecuniary loss to the Government be such as to make it inexpedient, even if there be full assurance that the terms of cession will not be violated?

Before I enter on the discussion of these important points, it will be proper to make a few remarks on the extent of the interest that would be embraced in the cession. Without it, there would be but an imperfect conception of the subject.

The quantity of public lands lying in the new States, and embraced in the amendment, was estimated to be, on the 1st of January, 1840, about 160,000,000 of acres. It has been reduced since by sales, the exact quantity not known; but it will not materially vary the amount. The Indian title has been extinguished to nearly the whole, and about three-fourths have been surveyed and platted, of which a larger part has been long in the market (much more than twenty years), and has been picked and culled, over and over again, with the view of taking all worth having, at the present price, even during the great expansion of currency, and consequent rise in price, and speculation in public lands, in 1835, 1836, and 1837. If compared in quantity to the remainder of the public domain, it will be found to be not equal to one-sixth part of the whole. In this respect, it is a far more limited measure than that proposed by the Senator from Kentucky, to which mine is an amendment. That embraces not only the proceeds of the whole public domain, exceeding 1,000,000,000 acres, but includes, in addition, the large sums drawn from the duties on imports, which are annually expended on its sales and management, all of which he proposes permanently to distribute. It is also more limited in its application than the original bill, which embraces all the lands to which the Indian title is extinguished, as well in territories as States, which greatly exceeds the quantity lying in the latter.

Having now shown the object and the character, with the scope of this measure, I shall next proceed to the great, and I must say, in my opinion, the only question that admits of controversy, Will the States adhere faithfully to the terms of the cession? Or, on the contrary, will they violate a com-

pact solemnly entered into, on just and liberal principles, mutually beneficial to both, and which will place them, as to their domain, on the same independent footing on which the other States stand?

I would ask, at the outset, Is there any thing in their history to justify a suspicion of a want of good faith? Have they been in the habit of violating contracts? If so, point out a single instance? Instead of giving ground to excite suspicion, I rejoice to say their history affords many and striking examples of exact and faithful compliance with their engagements. They all have standing compacts with the Government, entered into on their admission into the Union, which impose important limitations on what otherwise would be their unquestioned right as independent members of the Union; and, among others, the important one, not only of not taxing the vast portion of their domain held by the United States within their limits, but also, for the period of five years after sale, the portion held by purchasers. To their honor be it said, that, in the long period which has elapsed from the admission of the oldest of these States, there has not been a single instance of a violation on their part of their plighted faith. With so striking an example of fidelity to engagements, with what justice can it be objected that the States will violate their plighted faith to a contract every way advantageous to them, as well as to the rest of the Union?

But I take higher ground, and put the question, With what propriety can we object to the want of faith on the part of the States to their engagements? What is our constitution but a compact between the States? and how do we hold seats here but in virtue of that compact? And is it for us to turn round and question the faith on which our system stands, and through which we have our political existence; and this, too, when it is notorious that the State governments have adhered with far more fidelity than this,

to the constitutional compact? Many and great violations are charged, and truly charged to us, while few, very few, can be justly attributed to them.

But, admitting there might be danger of losing the lands, should they be disposed of as proposed, from the want of good faith on the part of the States, I boldly assert that the danger of being lost is far greater if the present system should, unfortunately, be continued, and that, too, under circumstances vastly more disastrous to the peace and safety of the Union. What I have asserted comes from deep and solemn conviction, resulting from a long and careful examination of this vast and complicated subject.

Those who have not given special attention to it, and the progress of our land system, can form no just conception of the danger to which the public lands are exposed. The danger is twofold: that they will be lost by the mere progress of settlement, without payment, in consequence of the vast quantity beyond the wants of the country, to which the Indian title is extinguished; and if that should not be the case, they will be from the growing conflict between the old and new States, in consequence of the rapid increase of the latter, and the great difference in the respective views of the policy proper to be adopted in reference to them. Both causes are operating with powerful effect; and if they do not speedily attract the attention of the Government and the country, they will certainly terminate before long, either by their separate or joint action, in the loss of the public domain. Nothing but a full understanding of the causes of danger, and the application of a prompt and efficient remedy, can prevent it; and what I propose is to present a brief sketch of my views in reference to both.

As important as it is, few have turned the attention it deserves to the almost miraculous extension of our land system. In the comparatively short time in which it has been in operation, the Indian title has been extinguished in round

numbers, to 320,000,000 of acres; of which there have been sold 81,000,000, and granted away, for various purposes, 12,600,000; leaving in the possession of the Government, on the 1st of January, 1840, 226,000,000, a larger portion of which is surveyed, platted, and in the market: showing that the progress of extinguishing the titles of the Indians has far outrun the demands of the country for government lands, as great as it has been. In fact, the reality far exceeds the statement, as strong as that is; for, of the eighty-one millions of acres sold, upward of thirty-eight millions were sold in the years 1835, 1836, and 1837, during the great expansion of the currency and rage for speculation in lands, of which but a small portion, perhaps not a third, was for settlement; and of the residue, a greater part, say twenty millions, is still for sale in the hands of large purchasers. Making proper allowance for the speculative operations of those years, the actual sale of the public lands for settlement, during the period of fifty years which has elapsed from the beginning of the Government, would not probably exceed sixty millions of acres, about one-fourth as much as that to which the Indian title is now extinguished.

But numbers can give but a very imperfect conception of the vast extent of the region to which the Indian title is extinguished, and of which the Government is the sole and exclusive proprietor. To form a correct idea of its great magnitude, it will be necessary to compare it to portions of the Union, the extent of which is familiar to all. To enable me to do this, a friend has furnished me with a statement, from which it appears that if all the land now unsold, and to which the Indian title is extinguished, was grouped together, it would be equal in extent to all New England, New-York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and a third of North Carolina. But this falls far short of the vast extent of the region throughout which it lies dispersed—a region equal-

ling all the old Atlantic States, taking in all Florida, the States of Alabama and Mississippi, and half of Tennessee. Into this vast and unoccupied domain, our people, with a multitude of foreigners, are pouring yearly in one incessant tide, by thousands on thousands, seeking new homes,—some with the means of purchasing, who select the best lands; others with insufficient means, who select their place, and settle with the hope of purchasing in a short time; and a large class without means, who settle on spots, without any fixed intention but to remain so long as they are undisturbed, generally on tracts of inferior quality, having the advantage of a spring, with a small portion of more fertile land, sufficient for their limited cultivation, but not sufficient to induce a purchaser to take it at the Government price. This class of settlers has greatly increased, if I am correctly informed, within the last ten or fifteen years,—and is still rapidly increasing, especially in the Western and Southwestern States, where the proportion of good to inferior land is comparatively small,—and must continue to increase with accelerated rapidity, so long as the present land system remains as it is.

Those who have had an opportunity of witnessing the effect of such occupancy on the minds of the settlers, will not be at a loss to anticipate the consequences which must follow, unless arrested. Occupation long and undisturbed, accompanied by improvement, however limited, cannot fail to be associated with the idea of property in the soil. It is this, in fact, which constitutes the primitive right in land. This will be felt in common by all the occupants similarly situated—will be sure to create an *esprit de corps*, accompanied by mutual respect for each other's rights, which would not fail to make it dangerous for any one to disturb the rights of another. This feeling will not be long in showing itself towards the emigrant intruder, as he would be considered, coming in with the view of purchase. He would find it not a little hazardous to enter and purchase a spot held by a

mere occupant, or squatter, if you will, and oust him of his possession. In a short time, no one who regards his peace and safety will attempt it; and then, the feeling, which began with the poorer class, will extend rapidly upwards to the more wealthy, until, finally, none will look to any other title but occupancy and improvement; and all, the rich and poor, will become squatters, with a common interest to maintain and defend each other, when the public lands will be lost, and cease to be any longer a source of revenue, if nothing be done to stop it. For the truth of the picture, I appeal to the Senators from the new States, especially from the Western and Southwestern. We have thus presented the difficult question, What is to be done to remedy it?

It is perfectly natural that the first impression should be, to keep out intruders on the public lands. The lands belong to the people of the Union as common property, and it would seem contrary to reason and justice that any one should be permitted to enter on and appropriate the use of that to himself, without paying for it, which belongs to all; and we accordingly find not a small portion of the Senate who insist on keeping out and expelling all intruders as the proper remedy. But in this case, like many others, we must look beyond mere abstract right. What seems so plausible would, when tried, prove impracticable. We need no other proof than the fact that no administration has ever undertaken it, even when it would have been an easy task, comparatively to what it now would be. How is it to be done? By the marshals and their deputies? Can they expel from their homes the vast host of occupants on the public lands, all hardy and bold men, familiar with the use of the most deadly of weapons? Would you employ the army? It would be found almost as impotent as the civil authority. If the whole military was employed in this, to the neglect of all other service, there would be more than five hundred and fifty square miles for each officer and soldier, supposing your

establishment to be full. No: were it possible to employ the military in so odious a service in this free country, you would have to double your force, at a cost greater than the annual income from the land; and the work would be ever beginning, and never ending. If you drive them away and destroy their improvements, as soon as the force was withdrawn they would return to their possession. I had some experience, while Secretary at War, of the difficulty of expelling and keeping off intruders; and I found that the message which brought intelligence of the withdrawal of the force was immediately followed by that which brought information that the intruders had returned.

But the Senator from Kentucky (Mr. Clay) deems all this as merely imaginary, and asserts that intruders may readily be kept off the public lands. I will not attempt to reply to his reason for this opinion. He and his political friends will soon be in power with a chief of their own selection, and in whose firmness and energy they express high confidence. In six weeks the time will come round which brings him into power, and we shall see what will follow. Without pretending to the spirit of prophecy, I feel I hazard nothing in predicting that what is deemed so easy to be done when out of power, will be pronounced impracticable when in. The Senator would have too much prudence to give the advice; but, if not, the President elect will, I conjecture, have too much discretion to act on it.

If, however, I should be mistaken, and the attempt should be made to expel the occupants from the public lands, I hazard nothing in predicting that the administration will go out of power with ten times the majority with which it came in, as great as that was. The bitterest enemy could not give more fatal advice.

If, then, this powerful tide of emigration, which is flowing in on the public lands, cannot be arrested, what ought, or can be done, to prevent the loss of the public domain by the

action of the causes already explained? This is the difficult question. In answer, I say, we must do as we are often compelled to do in our progress through life—accommodate ourselves to circumstances; to mitigate evils we cannot overcome, and retard or lessen those we cannot prevent. Such are the laws to which beings of our limited powers and control over events must necessarily yield.

Without, then, undertaking the impossible task of arresting the tide of emigration or expelling the settlers, I would advise the adoption of the most judicious and efficient measures for converting them into freeholders, with the least sacrifice consistent with effecting that object. The first step towards this should be to unite the interests of this Government with those of the States within which the lands lie, so as to combine the power and influence of the two for their preservation. Without it nothing can be done. If they should not be united, the necessary consequence would be, that the interest of the States would be invariably found to be opposed to that of the Government, and its weight thrown on the side of the settlers on all questions between them of which we have daily proof in our proceedings. In the end, their united power and influence would prevail. If this indispensable step be not taken in a short time, instead of graduation and pre-emption, we shall have a demand, not to be resisted, for donations and grants to the settlers. A leading inducement with me to dispose of the lands to the States was to effect this important union of interest. It is the only way by which it can be accomplished; and to render it sufficiently strong to effect the object intended, I am in favour of a liberal compensation to the States for the expense and trouble of their management.

But something more is indispensable to prevent the loss of the lands; and that is, to hold out adequate inducements to the settlers to become freeholders by purchasing the land. This can be effected with the least loss to the Government.

and the greatest advantage to the settlers, by a judicious system of graduation and pre-emption; and it is with that view that provisions are made for both in the amendment which I intend to offer. It provides that the States may, at their discretion, reduce the price of all lands which have been offered at sale ten years and upward, to one dollar per acre, after the 30th of June, 1842; and all that may be in market for fifteen years and upward, to seventy-five cents per acre, after the 30th of June, 1847; and all that may have been twenty years and upward, to fifty cents per acre, after the 30th of June, 1852; and all that have been twenty-five years and upward, to twenty-five cents, after the 30th of June, 1857; and all that have been thirty years and upward, to twelve cents, after the 30th of June, 1862; and all that should remain unsold five years thereafter to be surrendered to the States; with the right also, at their discretion, to allow pre-emption for ninety days to settlers, at each step in the reduction of the price. It also provides that all lands, after having been offered for sale in those States, shall, at the expiration of ten years from the time of being offered, become subject, in like manner, to graduation and pre-emption.

The object of these provisions is to hold out inducements to the settlers to purchase, by bringing the lands, within a reasonable period, to a price which would not only justify, but hold out strong inducements to them to purchase. One great difficulty in the way of purchasing, as the system now stands, is, that the great body of the lands are not worth, in reality, the price of $1 25, at which they are sold by the Government. There appears to be a great mistake on this point, which it is important to correct. Instead of almost every acre, as is supposed by some gentlemen in debate, being worth that sum, the reverse position is true,—that none was worth it but that which was, at the time, coming in demand by purchasers. I rest the assertion on the well-established

principle that demand and supply regulate price,—and the fact that an article which is in the market at a fixed price, open to the demand of all, and not taken, is the best proof that the price is above the market value at the time. It is in vain to talk of intrinsic value—a thing wholly different from price. There are many things of the highest intrinsic value that have no price, as air and water, while many of but small value would, from their great scarcity, command a very high one. In the language of business, a thing is worth what it will sell for—and no one is willing to give more, unless compelled by some particular reason. The occupants of the public lands partake of this feeling. They are unwilling to give for the inferior lands, which for the most part they occupy, $1 25, when a small part only of the best lands offered for sale would command that—and feel that they have something like justice on their side in not giving so high a price for their possessions.

This feeling must be met, and it is proposed to meet it by the provisions for graduation and pre-emption which I have just stated ; a policy so liberal towards a large, though poor class, not less honest and patriotic than the rest of the community, could not fail to have a happy effect, not only in reference to them, but in a more enlarged point of view. One of the most important would be the great increase of the number of small freeholders, which, in the hour of danger, would prove of vast importance, especially in the weakest portion of the Union—in the Southwestern States—where the provision would have the greatest effect. It would be the class that would furnish the hardiest and best soldiers, with the advantage of being inured to the climate. Combined and modified as they would be, they cannot but have a powerful weight in inducing the occupant to purchase. It will work a revolution in his character. He will regard himself, on his little domain, more a freeholder than a squatter ; and, as the price in the descending scale of graduation ap-

proaches the price that lands such as he occupies would sell for, his industry and economy would be exerted to be prepared with the requisite means to make the purchase. The liberal character of the policy would impress him with deep feelings of respect for the justice and care of the Government; and the security it would afford would put an end to the *esprit de corps*, which otherwise would be so strong; and all, combined with the influence of the States on the side of the Government, would, I feel confident, guard effectually against the danger of losing the lands, as far as the occupants are concerned, in the only way that would be practicable.

The amendment proposes to leave it to the States to graduate and grant pre-emptions or not, at their discretion, within the limits prescribed. The conditions of the several States are very different in reference to the expediency of exercising the right. In the uniformly fertile region in the upper portion of the great Valley of the Mississippi, it may not be necessary to resort to either, or, if so, to a very limited extent; while in the Southwestern States, including Arkansas, it would be indispensable; and hence the propriety of giving the right, but leaving the exercise to the discretion of the States. Each State would be the most competent judge whether it should be exercised or not, and to what extent.

Having considered the provisions intended to guard against the danger of losing the lands from mere occupancy without payment, I next propose to make some remarks on that of their being lost, in consequence of the conflicting policy between the new and old States in reference to them, should the present system be continued. To understand this danger, we must have a just conception of the cause in which it originates, which I will endeavor first to explain.

In the nature of things, it is impossible that the new and old States can take the same view of the policy proper to be adopted in reference to the public domain. Their respective

position, interest, and extent of knowledge in reference to it, are wholly different, which cannot but have a correspondent effect on their views. The old States stand in reference to the new somewhat in the light of an absent owner of a large estate, and not without some degree of his feelings; while the new stand, in some degree, in the situation of those who occupy and work his estate, with feelings not a little akin to those which belong to that relation. That such is the case, and that it leads to diverse views of the policy that ought to be adopted,—and this, again, to conflict between them,—the questions now before us, the discussion now going on, the feelings it excites, and the yearly and violent agitation of these questions for the last eight or ten years, abundantly prove. Nor is it less clear that they have increased, and must increase with the growth and influence of the new States over the action of the Government, till their rapid growth will give them the ascendency, when they will decide it in their own way,—under the high pretensions and excited feeling of real or supposed injustice, which must necessarily grow out of a long-continued and violent conflict. It is, in like manner, clear that the evil originates in the ownership and administration by the Government of the lands lying in the new States, and constituting a large portion of their territory. If to these considerations it be added, that the questions growing out of this great subject must extend to and embrace, and influence in their bearings, every other question of public policy,—as is illustrated by the amendment for distributing the proceeds of the sales of the lands among the States, which, in its consequences, takes in the whole circle of our legislation,—and that it must enter into and influence all our political struggles, especially that in which all others are concentrated—the presidential election,—some conception may be formed of the distracting influence, the agitation and danger which must grow out of this great question if not speedily settled.

If something be not done, it is not difficult to see that the danger from these causes and that from occupancy must run together, and that their combined forces will be altogether irresistible. The occupants on the public lands lying within the States are voters, with a weight at the polls equal to the most wealthy, and, of course, an equal influence over the election of President and Vice-President, members of Congress, and of the State governments. I hazard little in asserting that, if they have not already, from their numbers, a decided influence over all the elections in many of the new States, they will in a very short period, from their rapid increase, if nothing should be done to arrest the evil. That influence would be felt here, and movements would be made to satisfy the demands of so numerous and powerful a class, till, with their growing influence, the proposition will be boldly made to give, as has been stated, the land without purchase; to which, from the necessity of the case, the Government will be compelled to yield, in order to avoid the danger of its being seized and kept in open defiance of its authority.

Against this, the only ground that can be devised, as far as I can see, is the one I have proposed—to dispose of the land to the States—to part with ownership and administration, the root of the evil—on fair and equitable conditions, with the best possible provisions that can be devised to ensure the faithful performance of the compact. If that, with the provisions against the danger from occupancy, cannot prevent the loss of the public lands, I know not what can. I have as strong confidence as the nature of the subject will admit, that it will, when perfected in its details by the wisdom of the Senate, prove all-sufficient, not only to prevent the loss of the public domain, but to arrest the many and growing evils to which I have alluded as incident to the system as it now exists. But if in this, I should err, with all the caution I have taken to come to a correct

conclusion, I feel assured I cannot err in asserting that the danger would be far less, under the amendment I intend to propose, than it would be should the system continue as it now stands; and that if the public domain is to be lost, it is far better it should be under the former than the latter. It would be with far less intermediate hazard, and, in the end, with less violence and shock to our political fabric. In the one case, we could lose nothing but the value of the land, which I shall presently show is far less than usually estimated, —while, in the other, no one can estimate what the loss may not be.

Having now, I trust, shown, to the satisfaction of the Senate, that nothing short of disposing of the public lands on just, equitable, and liberal terms, can remedy the evils, and guard against the dangers incident to the system under existing circumstances, it only remains to consider what would be the effects of the measure on the revenue compared with the present system. Should I be able to prove, as I hope to do, that, even in that respect, it will bear a highly advantageous comparison, that it would yield more, and when most needed,—*now*,—when the treasury will require replenishing,—every solid objection to its adoption would, I trust, be removed.

There is a great and prevalent mistake as to the true value of the public lands, as I have just intimated. They are estimated as if every acre was worth $1 25 paid down, without taking into account that only a small quantity could be sold annually at that price, and that by far the greater portion of the income from the sales can only be received through a long series of years, extending to a very remote period. In estimating what is their true value, we must not forget that time has the same effect on value which distance has on magnitude,—and, that, as the largest objects in the universe dwindle to a point, when removed to the distance of the stars, so the greatest value, when it can only be real-

ized at remote periods, diminishes almost to nothing. It is in consequence of this difference between present and future value, that a sum paid down is worth twice as much as an equal sum to be paid sixteen years hence, estimated at six per cent. simple interest,—and four times as much as a like sum to be paid at the end of thirty-two years. I do not take fractions of years into the estimate. The principle is familiar to all who are in the habit of calculating the present value of annuities for a given number of years, and is as applicable to regular annual incomes from land, or any other source, as it is from what is usually called an annuity. On the same principle, discounts are made on payments in advance. But we are in the daily habit of overlooking this plain and familiar principle, known to every business man in the management of his own affairs, in estimating the value of the public domain. In consequence of such oversight, the 160,000,000 of acres lying in the new States have been estimated to be worth $200,000,000, at $1 25 per acre—a sum nearly eight times greater than its real value, supposing it would give an annual income averaging $2,500,000, and admitting every acre will be sold at $1 25—a supposition far greater than will ever be realized. The Committee on Public Lands, at the last session, assuming these data, proved incontestably that the true present value did not exceed twenty-six millions and a half of dollars. They showed, in the first place, that a permanent income for ever of $2,500,000 would be worth but a fraction more than forty-one millions of dollars in hand, as that sum, at six per cent., would give an equal income. They next showed, that to derive an income of $2,500,000 from the one hundred and sixty millions of acres in the new States, would exhaust every acre in eighty years; and that, of course, instead of being a permanent income, it would be one only for that period, which would reduce its value to about thirty-four millions of dollars, which would be its present value, if there was no ex-

pense attending its sales and management. That is, however, far from being the case. Applying the same rule of calculation to the annual expense incident to their management, including what would be saved by the Government if the cession should be made, ascertained to be about $550,000 annually, they find the present value of the land to be the sum stated ($26,500,000.) The result, assuming the data to be correct, is incontrovertible; and that sum would constitute the entire amount of the loss under the present system, if the lands were really to be given away by the proposed cession, as has been most unfairly charged on the other side of the Chamber.

I propose to apply the same principle to the same lands, to show their present value under the operation of the measure I intend to propose. Should it be adopted, the whole of the lands in question would be sold, I assume, in twenty-five years from the time they become subject to the graduating process—which is much more probable than that the whole would be sold in eighty years at the present price of $1 25 per acre. I next assume that equal quantities would be sold during each period of graduation. I next assume that the portion not yet offered for sale, and which, according to the amendment, would not be subject to graduation, and which is estimated, in the report of the Committee on Public Lands, to amount to a little more than 62,000,000 of acres, would yield an average revenue during the ten years equal in proportion to what the 160,000,000 of acres are estimated to yield. It is, probably, much less than what they would, as they will, for the first time, be offered for sale. I also estimate that the lands that have been offered, and which have not yet run ten years, and will, of course, be held till then at $1 25, will, with that which will be sold on the first reduction to $1, average $1 12½. I have also estimated the whole period, including that which is now in progress towards ten years, and the first period of reduction, as one period of fifteen

years, and that the entire amount sold during the entire period will only equal the average of the other period of graduation (five years) : an estimate greatly under the truth.

On these data I have based the calculations, which have been made with great care, and I find the present value of the lands would be more than a third more, under my proposed amendment, than under the existing system; and that the excess would be sufficient to pay the 35 per cent. proposed to be allowed to the new States for their expense and trouble, leaving the 65 to be received by the Government, equal to the entire present value of the lands under the existing system. Such is the vast difference between receiving a smaller amount by annual payments, during half of a long period, and a much larger one, in like manner, during double the time.

There are but two of the data on which the calculation is based that can be supposed to have any material effect on the result, which can possibly prove to be over-estimated: the one,—that all the lands will be sold during the period of graduation,—which, however, is quite as probable, to say the least, as that all will be sold in eighty years at $1 25; and the other,—that equal quantities would be sold during each step of the reduction. It is not improbable this may not prove to be the case, and that larger quantities would be sold towards the latter stages of the graduation, at low prices, than during the earlier stages, at higher prices, which affect the result. The other supposition, that equal sums would be received at each period, would probably be much too low; and the truth may probably prove to be between them; but, even on that assumption, the present value, under the measure I propose, would greatly exceed that under the present system; —so much so as to be quite sufficient to cover the 13 per cent. proposed to be allowed to the States for their trouble, above the expense of managing the lands, including the saving to the Government by the cession. I have assumed

that additional allowance, because it nearly corresponds to that proposed to be given in the bill for distribution (introduced by the author of the scheme) to the new States above that allowed to the old. I refer to the bill that passed both houses and was vetoed by the President. That allowed 12½ per cent., which, for the sake of facility in calculating, I have enlarged to 13 per cent.

I have, I trust, now successfully met the only two objections which can, in my opinion, be urged with any plausibility against the measure I intend to propose, by proving, not only that there would be reasonable assurance that the States would abide by the terms of the cession, but that it is the only measure which can be devised to prevent the almost certain loss of the public domain under the operation of the system as it now stands; and that, instead of a loss, there would be a clear pecuniary gain. If I have succeeded in doing so, I have done all that ought, according to my conception, to be necessary to obtain the support of the body. But I cannot be ignorant that there are members from the new States who prefer supporting this bill to the measure I intend to propose; not that they think it better, but because they believe it has the best prospect of passing. In this I think they are mistaken. It is not probable that either can pass the present session. It is now but a few weeks to its termination, and it is impossible, in the midst of the crowd of other business, that any important measure, not indispensable, can get through, especially a system of pre-emption and graduation which has been so long struggling, unsuccessfully, to pass both houses. But if it cannot *pass now, there is little prospect that it can the next four years*, against the opposition of the coming, when it could not, with the aid of the present and late administrations.

With this prospect, I put it to my friends from the new States, Is there not danger in pressing these isolated measures, which cannot settle the vexed and dangerous questions of

thepublic lands, and which, at best, can be pressed on grounds only interesting to those States, that they will lose, not only a favorite measure, but cause the passage of the most obnoxious to them of all measures, that of distribution? I ask them, Can they hope to oppose successfully a measure so seductive to so many members of the Union, by a measure so partial in its operation, and which, so far from appealing to the reason or sympathy of two-thirds of the States, secures but a reluctant vote from any of them; more from party feelings and associations than any conviction of its justice or expediency? Let me tell my friends, that if the struggle is to continue between this bill and the scheme for distribution, it is, on their part, a desperate one. Defeat is certain; and there is no way to avoid it (if it be not already too late) but to enlarge the issue—to raise it above mere local or pecuniary considerations to the broad and elevated ground of a final settlement of this deep and agitating question, on just and satisfactory principles, and thereby arrest the countless evils rushing through that channel on the country. It is only thus that an antagonist of sufficient strength can be reared up against the dangerous and corrupting scheme of distribution. A measure seductive to many of the States, unfortunately overwhelmed by debt, could only be successfully opposed by one which would make a powerful appeal to truth, justice, and patriotism. As strong as may be the appeal to the necessity of the embarrassed States, a still stronger may be made to the higher and more commanding considerations of duty and patriotism. Such an issue, I believe, the measure I propose would tender to the country. I solemnly believe it to be founded on truth, and sustained by justice and high considerations of policy; and all it needs to ensure it success, if I mistake not, is the earnest and determined support of the States which not only have the deepest stake, but whose independence and equality, honor

and pride, as members of this proud republic of States, are involved.

Having now presented my views of the amendment I intend to offer, with a motion to strike out the amendment of the Senator from Kentucky and insert mine, I shall conclude with a few remarks in reference to the leading feature of his amendment, the distribution of the proceeds of the public lands among the States.

It is not my intention to enter on the discussion of a measure which I cannot but regard as palpably unconstitutional, as well as dangerous and corrupting in its tendency. I do not deem it necessary, as I expressed my opinion fully on the subject at the last session. I intend, at this time, to make a few remarks, in order to show that, viewed under every possible aspect, it must be regarded as either foolish, idle, or unjust.

It is admitted, on all sides, that the treasury is embarrassed, and that no part of the revenue can be withdrawn without making a corresponding deficit, which must be supplied by taxes on the people in one form or another, and that the withdrawal of the revenue from the land would cause a deficit, so to be supplied, of not less, probably, than $5,000,000 annually. The whole process, then, would consist in giving to the people of the several States their proportional share of the five millions of the revenue from the lands, to be collected back from the people of the United States, in the shape of a tax on imports, or some other subject, to the same amount. Now, Sir, I ask, Is it not clear, if a State should receive by its distributive share a less sum than the people of that State would have to pay in taxes to supply the deficit, that it would be, on their part, foolish to support the distribution? So, again, if they should receive the same amount they paid instead of a less, would it not be idle? And if more, would it not be unjust? Can any one deny

these conclusions? How, then, can a scheme, which implies the one or the other of these alternatives (laying aside all other weighty objections), have any chance to be adopted? But two answers can be given. The one, that the States which would receive more from the distribution than their people would have to pay to make up the deficit, can outvote the others, and are prepared to act on the principle of the strong plundering the weak; and the other, that a majority of the States want the money to pay their debts or to spend in favorite schemes, and prefer shifting the responsibility of taxing to the General Government to assuming it themselves, without regarding whether their people would contribute more or less than they may receive. They are afraid to lay taxes, lest the people should see the sums extracted from their pockets, and turn them out; and, to avoid this, would transfer the task to the General Government, because they can take from the people, through the tax on imports, without being detected as to the amount.

I take the opportunity, before I sit down, to tender my thanks for the honorable and high-minded suggestion of the Senator from Missouri (Mr. Linn), considering the interior quarter of the Union from which he comes, to set apart the proceeds of the lands as a permanent fund for the navy.

[Mr. Linn, in an audible voice: "The navy and the defences of the country."]

I would rejoice to see such a disposition of it, and do hope that he will move an amendment to that effect. I would gladly receive it as a modification of my amendment, and would regard it as a great improvement. The navy, Sir, is the right arm of our defence, and is equally important to every section—the North and South, the East and West, inland and seaboard. When I look at the condition of our country, and the world, I feel that too earnest and too early attention cannot be bestowed on the arm of defence on

which the country must mainly rely, not only for sustaining its just weight and influence in the scale of nations, but also for protection.

SPEECH

On the Bill to distribute the proceeds of the Public Lands, delivered in the Senate, January 23d, 1841.

[*In Senate, January 23d*, 1841.—On the amendment proposed by Mr. Crittenden to the Pre-emption Bill, to distribute the proceeds of the public lands among the States.]

MR. CALHOUN said, that the proposition of the Senator from Kentucky (Mr. Crittenden), to distribute the proceeds of the sales of the public lands among the several States was no stranger in this Chamber. His colleague (Mr. Clay) had introduced it many years since, when he was in the opposition, and had often pressed its passage as an opposition measure, and once with success, while the treasury was groaning under the weight of a surplus revenue, of which Congress was willing to free it on almost any terms. It was then vetoed by General Jackson, and has had to contend ever since against the resistance of his and the present administration.

But it is now, for the first time, introduced under different auspices, not as an opposition but an administration measure—a measure of the coming administration, if we may judge from indications that can scarcely deceive. It is brought in by a Senator, who, if rumor is to be credited, is selected as a member of the new cabinet (Mr. Crittenden), backed by another in the same condition (Mr. Webster),

supported by a third (Mr. Clay), who, all know, must exercise a controlling influence over this administration. It is, then, fair to presume, that it is not only a measure, but a leading measure, of General Harrison's administration, pushed forward in advance of his inauguration by those who have the right of considering themselves his organs on this floor. Regarded in this light, it acquires a vastly increased importance—so much so as to demand the most serious and deliberate consideration. Under this impression I have carefully re-examined the measure, and have been confirmed in the opinion previously entertained, that it is perfectly unconstitutional, and pregnant with the most disastrous consequences; and what I now propose is, to present the result of my reflection under each of these views, beginning with the former.

Whether the Government can constitutionally distribute the revenue from the public lands among the States, must depend on the fact whether they belong to them in their united federal character, or individually and separately. If in the former, it is manifest that the Government, as their common agent or trustee, can have no right to distribute among them, for their individual, separate use, a fund derived from property held in their united and federal character, without a special power for that purpose, which is not pretended. A position so clear of itself, and resting on the established principles of law, when applied to individuals holding property in like manner, needs no illustration. If, on the contrary, they belong to the States in their individual and separate character, then the Government would not only have the right, but would be bound to apply the revenue to the separate use of the States. So far is incontrovertible, which presents the question, in which of the two characters are the lands held by the States?

To give a satisfactory answer to this question, it will be necessary to distinguish between the lands that have been

ceded by the States and those that have been purchased by the Government out of the common funds of the Union.

The principal cessions were made by Virginia and Georgia; the former, of all the tract of country between the Ohio, the Mississippi, and the lakes, including the States of Ohio, Indiana, Illinois, and Michigan, and the Territory of Wisconsin; and the latter, of the tract included in Alabama and Mississippi. I shall begin with the cession of Virginia, as it is on that the advocates for distribution mainly rely to establish the right.

I hold in my hand an extract of all that portion of the Virginia deed of cession which has any bearing on the point at issue, taken from the volume lying on the table before me, with the place marked, and to which any one desirous of examining the deed may refer. The cession is "to the *United* States in Congress assembled, for the benefit of said States." Every word implies the States in their united, federal character. That is the meaning of the phrase United States. It stands in contradistinction to the States taken separately and individually, and if there could be, by possibility, any doubt on that point, it would be removed by the expression "in Congress assembled"—an assemblage which constituted the very knot that united them. I regard the execution of such a deed, to the *United States so assembled*, so conclusive, that the cession was to them in their united and aggregate character, in contradistinction to their individual and separate character, and by necessary consequence, that the lands so ceded belonged to them in their former and not in their latter character, that I am at a loss for words to make it clearer. To deny it, would be to deny that there is any truth in language.

But, strong as this is, it is not all. The deed proceeds, and says that all the lands so ceded "shall be considered *a common* fund for the use and benefit of such of the United States as have become members of the *Confeder-*

ation, or *Federal alliance* of said States, Virginia inclusive," —and concludes by saying, "and shall be faithfully and *bonâ fide* disposed of for that purpose, and for no other use or purpose whatever." If it were possible to raise a doubt before, these full, clear, and explicit terms would dispel it. It is impossible for language to be clearer. To be "considered a *common* fund," is an expression directly in contradistinction to separate or individual, and is, by necessary implication, as clear a negative of the latter as if it had been positively expressed. This common fund to "be for the use and benefit of such of the United States as have become, or shall become, members of the Confederation or Federal alliance;" that is, as clear as language can express it, for their common use in their united federal character, Virginia being included as the grantor, out of abundant caution.

[Here Mr. Clay said in an audible voice, there were other words not cited. To which Mr. Calhoun replied:—]

I am glad to hear the Senator say so, as it shows, not only that he regards the expressions cited, standing alone, as clearly establishing what I contended for, but on what he relies to rebut my conclusion. I shall presently show, that the expression to which he refers will utterly fail him. The concluding words are, "shall be faithfully and *bonâ fide* disposed of for that use, and no other use or purpose whatever." For that use—that is, the common use of the States, in their capacity of members of the Confederation or Federal alliance—and no other; as positively forbidding to use the fund to be derived from the lands for the *separate* use of the States, or to be distributed among them for their separate or individual use, as proposed by this amendment, as it is possible for words to do. So far, all doubt would seem to be excluded.

But there are other words to which the Senator refers, and on which the advocates of the measure vainly rely to

establish the right. After asserting that it shall be considered a common fund for the use and benefit of the States that are or shall become members of the Confederation or Federal alliance, Virginia inclusive, it adds, "according to their usual respective proportions in the general charge and expenditure." Now, I assert, if these words were susceptible of a construction that the fund was intended for the separate and individual use and benefit of the States—which I utterly deny—yet it would be contrary to one of the fundamental rules of construction to give them that meaning. I refer to the well-known rule, that doubtful expressions, in a grant or other instrument, are not to be so construed as to contradict what is clearly and plainly expressed—as would be the case in this instance, if they should be so construed as to mean the separate and individual use and benefit of the States severally. But they are not susceptible of such construction. Whatever ambiguity may be supposed to attach to them, will be readily explained by reference to the history of the times. The cession was made under the old Articles of Confederation, according to which the general or common fund of the Union was raised, not by taxation on individuals, as at present, but by requisition on the States, proportioned among them according to the assessed value of their improved lands. An account had, of course, to be kept between each State and the common treasury; and these words were inserted simply to direct that the funds from the ceded lands were to be credited to States according to the proportion they had to contribute to the general or common fund respectively, in order, if not enough should be received from the lands, to meet their contribution, they should be debited with the deficit; and if more than sufficient, credited with the excess in making the next requisition. The expression can have no other meaning; and so far from countenancing the construction, that the common fund from the lands should be applied to the separate use of the States, it

expressly provides how it shall be credited to the confederated or allied States, in their account current with the general or common fund of that Confederacy. The opposite interpretation would imply the most palpable contradiction and absurdity.

But it is asked, what would have to be done if there had been a permanent surplus? Such a case was scarcely supposable, with the heavy debt of the Revolution, and the small yield from the land at the time; but if it had occurred, it would have been an unforeseen contingency, to be provided for by the United States, to whom the fund belonged, and not by Congress, as its agent, or trustee, for its management.

That this expression was intended merely to direct how the account should be kept, and not to make that the separate property of the States individually, which had been declared, in the most emphatic manner, to belong to them, and to be used by them, as a common fund, in their united federal character, we would have the most conclusive proof, if what has been stated already was not so, in the fact that, in the deeds of cession from all the other States, Massachusetts, Connecticut, New-York, North Carolina, and South Carolina, these words are omitted.

As to the cession from Georgia, it is impossible that there should be two opinions about it. It was made under the present Government, and in the very words of the Virginia cession, excepting the words, "according to their usual respective proportion in the general charge and expenditure." The omission, while the other portion was exactly copied, is significant. The old system of requisition on the States to supply the common treasury, under the Articles of Confederation, had been superseded by taxes laid directly on the people, under the present Government, and it was no longer necessary to provide for the mode of keeping the account, and for that reason was omitted. But the cession by Georgia was, in reality, a purchase. The United States has paid

full consideration for the land, including the expense of extinguishing the Indian titles, and other charges; and of course the portion of public domain acquired from that State may be fairly considered as standing on the same principle, as far as the present question is concerned, as that purchased from foreign powers.

So undeniable is the conclusion that the lands ceded by the States were ceded to them in their united and aggregate character as a Federal community, and not in their separate and individual one, that the Senator from Massachusetts was forced to admit, if I understood him correctly (and if not, I wish to be corrected), that they were so ceded in the first instance, but only for the purpose of paying the public debt, and that on its final discharge, the lands became the separate property of the States. This, Sir, is a perfectly gratuitous assumption on the part of the Senator, and is directly opposed by the deeds of cession, which expressly provide that it shall be a common fund for the use and benefit of the States in their united and federal character, without restriction to the public debt, or limitation in point of time, or any other respects. This bold and unwarranted assertion may be regarded as an implied acknowledgment on his part of the truth of the construction for which I contend, and on which the Government has ever acted, but now attempted to be changed on a false assumption.

The residue of the public lands including Florida and all the region beyond the Mississippi, extending to the Pacific Ocean, and constituting by far the greater part, stands on a different footing. They were purchased out of the common funds of the Union, collected by taxes, and belong, beyond all question, to the people of the United States in their federal and aggregate capacity. This has not been, and cannot be denied; and yet it is proposed to distribute the common fund derived from the sales of these, as well as from the ceded lands, in direct violation of the admitted

principle that the agent or trustee of a common concern has no right, without express authority, to apply the joint funds to the separate use and benefit of its individual members.

But setting aside the constitutional objection, conclusive as it is, I ask what consideration of expediency—what urgent necessity—is there for the adoption, at this time, of a measure so extraordinary as a surrender to the States, for their individual use, of the important portion of the revenue derived from the public domain, which, it is probable, will not fall short, on an average of the next ten years, of five millions of dollars? Is the treasury now burdened with a surplus, far beyond the wants of the Government, for which all are anxious to devise some measure of relief, as was the case when the Senator introduced and passed his scheme of distribution formerly? On the contrary, is it not in the very opposite condition—one of exhaustion, with a deficit, according to the statement of that Senator, and those who act with him, of many millions of dollars? And is not the revenue still declining, so that in a short time the present deficit will be doubled? To take a broader view, I would ask, Is the condition of the country less unfavorable to the adoption of the measure than the state of the treasury? Is there an individual capable of taking a comprehensive view of our foreign relations at this moment, who does not see the imperious necessity of applying every dollar that can be spared to guard against coming dangers, more especially on that element where a revolution so extraordinary is going on, by the all-powerful agency of steam, both as to the means of attack and defence?

If, then, the state of the treasury and the condition of the country so urgently demand the retention of this important branch of revenue, for the common use and objects for which the Government was created, what possible motives can impel those who are shortly to be charged with its administration, to bring forward, at such a period, the extra-

ordinary proposition to take from the necessities of the treasury and the country so large a sum, to be distributed among the States for their separate and individual use? To this question but one answer has been or can be given—that many of the States want the money. They have contracted debts for their own individual and local purposes, beyond their ordinary means, and which the dominant party in those States are unwilling to meet by raising taxes on their own people, for fear of being turned out of power. The result has been a loss of credit, followed by a depreciation of their bonds, held by rich capitalists at home and abroad. The immediate object of this scheme is to raise the credit of the indebted States by distributing the revenue from the lands; that is, to surrender about one-fourth of the permanent revenue of the Union, and that the most certain, to enhance the value of the State bonds, now greatly depressed, because some of the indebted States do not choose to raise, by taxes on their own people, the means of paying their own debts. To have a true conception of the whole case, it must be borne in mind that these bonds were taken by the capitalists on this and the other side of the Atlantic on speculation, in the regular course of business, as a profitable investment, and many of them, at great depreciation; and that the demand on the common treasury is substantially to make good, not only their losses, but to enable them to realize their anticipated profits. Such is the object.

We are thus brought to the question, In what manner is this deficit of at least five millions to be supplied? By taxes—additional taxes on the commerce of the country, preparing the way for still higher by combining the indebted States with the tariff interest, to impose heavier burdens on that important but oppressed branch of industry. Wines and silks are to be selected, under the plea of taxing luxury; and much manœuvring has been resorted to in order to enlist the tobacco interest in favor of the tax, with, I fear, too

much success. They are, I admit, fair objects of taxation, and ought to bear their due proportion of the public burden. I am prepared to act on that opinion, when the tariff comes up for revision, as it must, at the next session. I go further: fix the amount which the just and necessary wants of Government may require, including the revenue from the lands, and I will cheerfully agree to lay as much on luxuries as gentlemen will agree to reduce on necessaries. It is my favorite system, and I am prepared to go as far as any one in that direction. But I shall not agree to impose a cent on luxuries or necessaries, on the rich or poor, to pay the debts for which this Government is in no way responsible, and which we cannot pay without a palpable violation of the constitution, and gross injustice to the great body of the community. I was struck with the fact, that, while the Senator (Mr. Webster) held out, at one moment, that the duties on wines and silks would fall on the consumers, and, by consequence, on the rich, in the very next he informed us that they would not rise in price in consequence of the duties, and, of course, they would entirely escape from them. To prove that they would not increase in price in consequence of the duties, he assumed, as a principle, that where one country is a principal producer of certain articles, as France was of wine and silks, and another a principal consumer of them, as the United States were, a duty imposed on them by the latter would have the effect, not of raising the price in the country where it was laid, but to reduce it where they were produced; that is, to reduce it in France, and not to raise it in the United States. Now, I put it to the Senator, whether the loss, taking his own conclusion, could fall on the French producers of wines and silks, without, in its reaction, falling also on the American producers of the products given in exchange for them—that is, the growers of tobacco, rice, and cotton, which furnish almost exclusively the means of payment? Is it not clear if they cannot sell as high

or as much to us, in consequence of the duties, that we in turn cannot sell as high or as much to them in consequence of the fall of price on their products? Their loss must be followed by ours; and it follows, according to the Senator's own reasoning, that the five millions, which it is proposed to be raised by duties, to make good the deficit caused by the distribution, would be filched from the pockets of the honest and industrious producers of our great staples, and not, as alleged by the Senator, from the wealthy consumers of wines and silks. It is out of their hard earnings that the means must be raised to enhance the value of the bonds of the States in the hands of foreign capitalists. The Senator must surely hold in low estimation the intelligence and spirit of the Southern planter, in supporting such a proposition.

But I take still stronger grounds. The necessary effect of all duties is to diminish the imports; and the consequence of diminishing the imports is to diminish, in the same proportion, the exports. Imports and exports are dependent each on the other. If there can be no imports, there can be no exports; and if there be no exports, there can be no imports. The exports pay for the imports, and the imports for the exports—the one always implies the other. So, if the imports are limited in amount, the exports must be limited, when fairly estimated to the same amount, and *vice versa*. But the effects of all duties, whether they fall on the consumers of the articles on which they are laid, or on the producers, must be to diminish the amount of the imports, and, by consequence, of the exports. In a word, duties on imports affect the amount of the exports to the same extent that they do the imports; and it would have just the same effect in the end, whether the deficit of five millions which would be caused by the distribution, be raised by a duty on tobacco, rice, and cotton, or on the wines and silks for which they might be exchanged. The loss would fall, in either

case, on the same interest, and to the same amount, and on those immediately connected with it.

But I rise to higher grounds. Bad as the scheme is in a financial view, it is far worse in a political. The most deadly enemy of our system could not, in my opinion, propose a measure better calculated to subvert the constitution and the Government. It would necessarily place the State governments in direct antagonist relations with this, on all questions except that of collecting and distributing the revenue, which would end in defeating all the objects for which it was instituted, and reduce it ultimately to the odious capacity of a mere tax collector for the State governments. In this there can be no mistake.

The money to be distributed would go, not to the people of the States individually, but to the State legislatures; or to be more specific, to the majority, or rather to the dominant portion of the majority, which for the time might have the control. They, and their friends and supporters, would profit by the scheme. The money distributed would be applied in the most effective way to secure their ascendency, and to give them the lion's share of the profit. The dominant party in the States would thus be enlisted to continue and enlarge the distribution; and when it is added, that the sums expended in the States would embrace powerful local interests, which would be seen and felt in its effects by large portions of the people, while the expenditures of the Government would be on objects of a general character, connected, for the most part, with the defence of the country against foreign danger, which would be little felt or regarded by the great body of the community, except in war, or on the eve of hostilities,—I hazard nothing in asserting, that the interests in favor of distributing the revenue would overpower that of expenditures by the General Government, even on the most necessary objects; the consequence of which would

be such as has been stated. Be assured that the system, once fairly commenced, would go on and enlarge itself, till every branch of revenue would be absorbed; when the Government, divested of all its constitutional functions, would expire, under universal scorn and contempt. Such must be the end of this most dangerous and unconstitutional measure, should it ever be adopted.

But the Senator from Massachusetts (Mr. Webster) and others, allege that the cession of the lands to the new States is itself but a mode of distribution, with a view, doubtless, to weaken the force of my objection to this amendment. If it be so, I can only say that it is not intended, and if I can be satisfied that it is, I would be the first to denounce it. Its object is to remedy what I believe to be great and growing disorders in the operation of our land system, as it now exists; but as dangerous as I regard them, I would never consent to remedy them by a measure which I regard as vastly more dangerous. But the Senator will, if I mistake not, find it far more easy to call it a scheme of distribution, than to prove it to be so; or even that it is in the slightest degree analogous to it in any particular, as I hope to prove in some subsequent stage of this discussion.

I have heard, Mr. President, with pleasure, the deep denunciations levelled against the whole scheme of distribution, whether applied to the revenue from lands or taxes. It strengthens my confidence in the force of truth, and the conviction that, if one has the courage to do his duty, regardless of defeat for the time, he may hope to outlive error and misrepresentation. Let me add, if any of the denunciations were aimed at me, they passed harmless over me, and fell on another, against whom I would be the last to utter a censure in his retirement and declining years, however opposed to him while in power. The Senate will understand that I refer to General Jackson. It is far from agreeable to me to introduce his name here, or to speak of

myself; but I am compelled, from the remarks made in a certain quarter, to do so, not from any feeling of egotism (for I am too inconsiderable to involve what concerns me individually in the discussion of so grave a subject), but that I may not be weakened, as the opponent of this most dangerous measure, by any misconception of my past course in relation to the scheme of distribution.

It has, Sir, been my fortune to be opposed to the scheme from the beginning. It originated with a former member of this body, Mr. Dickerson, of New Jersey, and recently Secretary of the Navy, as far back as the year 1827. His proposed object was to strengthen the protective tariff interest, by distributing a part of its proceeds (if I remember correctly, five million of dollars), annually, among the States, in the manner proposed by the amendment. I took my stand against it, promptly and decidedly, on its first agitation, as a measure dangerous and unconstitutional, and well calculated to fix the protective system permanently on the country. The next year the oppressive tariff of 1828 was passed, and the year afterwards General Jackson was elected President, with the expectation, as far as South Carolina supported him, that he would use his patronage and influence to repeal that obnoxious act, or at least greatly reduce the burden it imposed.

But it was the misfortune of General Jackson and the country, that when he arrived here to assume the reins of Government, he was strongly prepossessed in favor of the plan of distributing the surplus revenue, after the final payment of the public debt, under the impression that it would be impossible to repeal that act, or reduce the duties it imposed. How he received so dangerous an impression, I have never understood; but so it was. I speak not from my own knowledge, but from information that is unquestionable, that his inaugural address contained a passage in favor of the distribution, when it was laid before those whom

he had selected for his first cabinet; and that it was with difficulty he assented to omit it, so strongly was he impressed in its favor—no doubt honestly and sincerely impressed. His first message to Congress, in December, 1829, contained a strong recommendation of that scheme, which was repeated with additional arguments in its favor, in his second message the succeeding year. A recommendation from so high and influential a quarter, could not but have a powerful effect on public opinion. The Governors of two great States, Pennsylvania and New-York, recommended it to their legislatures, who adopted resolutions in its favor. That the views which he then entertained may be fully understood, I ask the Secretary to read the portions of the two messages, which he will find marked in the volumes on his table, in the order of their respective dates.

[The Secretary read the following extracts from President Jackson's messages, 1st and 2d sessions, 26th Congress:—

First session Twenty-sixth Congress.

"After the extinction of the public debt, it is not probable that any adjustment of the tariff, upon principles satisfactory to the people of the Union, will, until a remote period, if ever, leave the Government without a considerable surplus in the treasury beyond what may be required for its current service. As, then, the period approaches when the application of the revenue to the payment of debt will cease, the disposition of the surplus will present a subject for the serious deliberation of Congress, and it may be fortunate for the country that it is yet to be decided. Considered in connection with the difficulties which heretofore attended appropriations for purposes of internal improvement, and with those which this experience tells us will certainly arise whenever power over such subjects may be exercised by the General Government, it is hoped that it may lead to the adoption of some plan which will reconcile the diversified interests of the States, and strengthen the bonds which unite them. Every member of the Union, in peace and in war, will be benefited by the improvement of inland navigation, and the construction of highways in the several States. Let us then endeavor to attain this benefit in a mode which will be satisfactory to all. That hitherto adopted has, by many of our fellow-citizens, been deprecated as an infraction of the constitution,

while by others it has been viewed as inexpedient. All feel that it has been employed at the expense of harmony in the legislative councils.

"To avoid these evils, it appears to me that the most safe, just, and federal disposition which could be made of the surplus revenue, would be its apportionment among the several States, according to their ratio of representation; and should this measure not be found warranted by the constitution, that it would be expedient to propose to the States an amendment authorizing it. I regard an appeal to the source of power, in cases of real doubt, and where its exercise is deemed indispensable to the general welfare, as among the most sacred of all our obligations."

Second session, Twenty-sixth Congress.

"I have heretofore felt it my duty to recommend the adoption of some plan for the distribution of the surplus funds which may at any time remain in the treasury after the national debt shall have been paid, among the States, in proportion to the number of their representatives, to be applied by them to objects of internal improvement.

"Although this plan has met with favor in some portions of the Union, it has also elicited objections which merit deliberate consideration. A brief notice of these objections here will not, therefore, I trust, be regarded as out of place.

"They rest, as far as they have come to my knowledge, on the following grounds: 1st, an objection to the ratio of distribution; 2d, an apprehension that the existence of such a regulation would produce improvident and oppressive taxation to raise the funds for distribution; 3d, that the mode proposed would lead to the construction of works of a local nature, to the exclusion of such as are general, and as would consequently be of a more useful character; and last, that it would create a discreditable and injurious dependence on the part of the State governments upon the Federal power. Of those who object to the ratio of representation as the basis of distribution, some insist that the importations of the respective States would constitute one that would be more equitable; and others, again, that the extent of their respective territories would furnish a standard which would be more expedient and sufficiently equitable. The ratio of representation presented itself to my mind, and it still does, as one of obvious equity, because of its being the ratio of contribution, whether the funds to be distributed be derived from the customs or from direct taxation. It does not follow, however, that its adoption is indispensable to the establishment of the system proposed. There may be considerations appertaining to the subject which would render a departure, to some extent, from the rule of contribution, proper. Nor is it absolutely necessary that the basis of distribution be confined to one ground. It may,

if, in the judgment of those whose right it is to fix it, it be deemed politic and just to give it their character, have regard to several.

"In my first message, I stated it to be my opinion that "it is not probable that any adjustment of the tariff upon principles satisfactory to the people of the Union, will, until a remote period, if ever, leave the Government without a considerable surplus in the treasury, beyond what may be required for its current service." I have had no cause to change that opinion, but much to confirm it. Should these expectations be realized, a suitable fund would thus be produced for the plan under consideration to operate upon; and if there be no such fund, its adoption will, in my opinion, work no injury to any interest; for I cannot assent to the justness of the apprehension that the establishment of the proposed system would tend to the encouragement of improvident legislation of the character supposed. Whatever the proper authority, in the exercise of constitutional power, shall, at any time hereafter, decide to be for the general good, will, in that as in other respects, deserve and receive the acquiescence and support of the whole country; and we have ample security that every abuse of power in that regard, by agents of the people, will receive a speedy and effectual corrective at their hands. The views which I take of the future, founded on the obvious and increasing improvement of all classes of our fellow-citizens, in intelligence and in public and private virtue, leave me without much apprehension on that head.

"I do not doubt that those who come after us will be as much alive as we are to the obligations upon all the trustees of political power to exempt those for whom they act from all unnecessary burdens; and as sensible of the great truth, that the resources of the nation beyond those required for immediate and necessary purposes of Government, can nowhere be so well deposited as in the pockets of the people."]

Such, I repeat, were unfortunately the opinions which General Jackson entertained on this all-important question, when he came into power. I saw the danger in its full extent, and did not hesitate to take an open and decided stand against the measure which he so earnestly recommended; and that was the first question on which we separated. In placing myself in opposition to him, on a measure so vital, I was not ignorant of the hazard to which I exposed myself, but the sense of duty outweighed all other considerations. I clearly saw that there would be an increased surplus revenue, after the final payment of the public debt,

a period then rapidly approaching, and that, if it was once distributed to the States, it would rivet on the country the tariff of 1828, to be followed by countless disasters from the combined effects of the two measures. Had it been adopted, the last ray of hope of repealing or reducing that oppressive and ruinous measure would have vanished. It would, by its seductive influence, have drawn over to its support the very States, whose prosperity it was crushing, not excepting South Carolina itself. The process is not difficult to explain.

For that purpose, I will take the case of South Carolina, and will assume that her citizens paid, under the tariff of 1828, four millions of dollars into the treasury of the Union, which is probably not far from the truth, and would have received back under the proposed distribution of the surplus, but one-fourth, making one million. The sum to be distributed, as has already been stated, would not have been returned to the people, but to the treasury of the State, to be disposed of by the legislature, or, to speak more specifically, by the small portion, which, for the time, would have had control over the dominant majority of the legislature. All who have experience in the affairs of government, will readily understand that no disposition could have been made of it, but one by which they and their friends and supporters would have had a full share of the profits and political advantages to be derived from its administration and expenditure. Thus an interest would be created on the part of the controlling influence of the State for the time, adverse to it—an interest to sustain the tariff, as the means of sustaining the distribution, and that for the plain reason, that they would receive more from the former than they would pay as citizens under the duties.

Now, Sir, when we reflect that the amount taken by the duties out of the pockets of the people, was extracted in so round about and concealed a manner that no one, no, not the best informed and shrewdest calculator, could ascertain

with precision what he paid, while that received back from distribution would have been seen and felt by those into whose hands it would have passed; it will be readily understood, not only how those who participated directly in its advantages, but the people themselves, would have been so deluded as to believe that they gained more by the distribution than what they lost by the tariff, especially when the dominant influence in the State would have been interested in creating and keeping up the delusion.

It is thus that the result of the scheme would have been to combine and unite into one compact mass the dominant interests of all the States, with the great dominant interest of the Union, to perpetuate a system of plundering the people of the products of their labor, especially the South, to be divided among those, with their partisans, who could control the politics of the country. It was against this daring and profligate scheme that South Carolina interposed her sovereign authority, and by that interposition, as I solemnly believe, saved the constitution and the liberty of the country.

But that step, bold and decisive as it was, could not accomplish all. To save the manufacturing interest, and avoid the hazard of reaction, it was necessary to reduce the duties on the protected articles gradually and slowly. The consequence was, a continued overflow of the treasury, notwithstanding the duty on every article not produced in the country was repealed, amounting in value to one-half of the whole, to such an enormous extent had the protective duties been raised. A remedy had been applied to meet the corrupting and dangerous influence of this temporary surplus, till the gradual reduction of the protective duties, under the Compromise Act, would bring them to the ordinary wants of the Government. There was but one remedy, and that was to take it from the treasury. The flow was too great for the most lavish expenditures to keep down. I saw, in advance, that such would be the case, and, with the design of devis-

ing a remedy beforehand, moved for a special committee, with the view mainly of freeing the treasury of its surplus, as the great source of Executive influence and power. The committee concurring in that opinion, recommended that the constitution should be so amended as to enable Congress to make a temporary distribution. The report fully explains the reasons for believing there would be a large and corrupting surplus, and why, under the peculiar circumstances of the case, the distribution as proposed was the only remedy. I have marked a portion of it that will show the opinion I then entertained in reference to distribution, and which I ask the Secretary to read.

Second Session, Twenty-third Congress.

"Your committee are fully aware of the many and fatal objections to the distribution of the surplus revenue among the States, considered as a part of the ordinary and regular system of this Government. They admit them to be as great as can be well imagined. The proposition itself, that the Government should collect money for the *purpose of such distribution*, or should distribute a surplus for the purpose of *perpetuating taxes*, is too absurd to require refutation; and yet what would be when applied, as supposed, so absurd and pernicious, is, in the opinion of your committee, in the present extraordinary and deeply disordered state of our affairs, not only useful and salutary, but indispensable to the restoration of the body politic to a sound condition; just as some potent medicine, which it would be dangerous and absurd to prescribe to the healthy, may, to the diseased, be the only means of arresting the hand of death. Distribution, as proposed, is not for the preposterous and dangerous purpose of raising a revenue for distribution, or of distributing the surplus as a means of perpetuating a system of duties or taxes, but a temporary measure to dispose of an unavoidable surplus, while the revenue is in the course of reduction, and which cannot be otherwise disposed of without greatly aggravating a disease that threatens the most dangerous consequences, and which holds out the hope, not only of arresting its further progress, but also of restoring the body politic to a state of health and vigor. The truth of this assertion a few observations will suffice to illustrate.

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"It may, perhaps, be thought by some, that the power which the distribution among the States would bring to bear against the expenditure,

and its consequent tendency to retrench the disbursements of the Government, would be so strong as not only to curtail useless or improper expenditure, but also the useful and necessary. Such, undoubtedly, would be the consequence, if the process were too long continued; but, in the present irregular and excessive action of the system, when its centripetal force threatens to concentrate all its powers to a single department, the fear that the action of this Government will be too much reduced by the measure under consideration, in the short period to which it is proposed to limit its operation, is without just foundation. On the contrary, if the proposed measure should be applied in the present diseased state of the Government, its effect would be like that of some powerful alterative medicine, operating just long enough to change the present morbid action, but not sufficiently long to superinduce another of an opposite character."

The measure recommended was not adopted. It was denied, and violently denied, that there would be a surplus, and I left it to time to decide which opinion was correct. A year rolled round, and conclusively decided the point. Instead of overrating, experience proved I had greatly underestimated the surplus, as I felt confident at the time I had. It more than doubled even my calculation. I again revived the measure; but before it could be acted on, instructions from State legislatures, with intervening elections, turned the majority in the Senate, which had been opposed to the administration, into a minority. I acquiesced, and gave notice that I would not press the measure I had introduced, and would leave the responsibility with the majority, to devise a remedy for what was at last acknowledged to be a great and dangerous evil. All felt that something must be done, and that promptly. In the greatly expanded state of the currency, the enormous surplus had flowed off in the direction of the public lands, and was, by a sort of rotary motion, from the deposit banks to the speculators, and from them to the receivers, and back again to the banks, to perform the same round again, rapidly absorbing every acre of the public lands. No one saw more clearly than the Senator from New-York (Mr. Wright), that an effectual and speedy

remedy was indispensable to prevent an overwhelming catastrophe; and he promptly proposed to vest the surplus in the stocks of the States, to which I moved an amendment to deposit it in their treasuries, as being more equal and appropriate. These were acknowledged to be the only alternatives to leaving it in the deposit banks. Mine succeeded, and the passage of the Deposit Act, which is now unjustly denounced, in a certain quarter, as distribution, and not as deposit, as it really is, followed.

As far as I am concerned, the denunciation is utterly unfounded. I regarded it then, and still do, as simply a deposit—a deposit, to say the least, as constitutional as that in State banks, or State stocks held by speculators and stockjobbers on both sides of the Atlantic, and far more just and appropriate than either. But while I regard it as a deposit, I did then, and now do, believe that it should never be withdrawn but in the event of war, when it would be found a valuable resource.

But had it been in reality a distribution, it would be, in my opinion, if not altogether, in a great measure, justified, under the peculiar circumstances of the case. The surplus was not lawfully collected. Congress has no right to take a cent from the people, but for the just and constitutional wants of the country. To take more, or for other purposes, as in this case, is neither more nor less than robbery—more criminal for being perpetrated by a trustee appointed to guard their interest. It in fact belonged to those from whom it was unjustly plundered; and if the individuals, and the share of each, could have been ascertained, it ought, on every principle of justice, to have been returned to them. But as that was impossible, the nearest practicable approach to justice was to return it proportionably, as it was, to the States, as a deposit, till wanted, for the use of the people from whom it was unjustly taken, instead of leaving it with the banks, for their use, which had no claims whatever to it, or

vesting it in State stocks, for the benefit of speculators and stockjobbers.

Brief as this narrative is, I trust it is sufficient to show that the advocates of this amendment, can find nothing in my former opinion or course to weaken my resistance to it, or to form the show of a precedent for the extraordinary measure which it proposes. So far from it, the Deposit Act, whether viewed in the causes which led to it, or its object and effect, stands in direct contrast with it.

We stand, Sir, in the midst of a remarkable juncture in our affairs; the most remarkable, in many respects, that has occurred since the foundation of the Government; nor is it probable that a similar one will ever again occur. *This Government is now left as free to shape its policy, unembarrassed by existing engagements or past legislation as it was when it first went into operation, and even more so.* The entire system of policy originating in the Federal consolidation school has fallen prostrate. We have now no funded debt, no National Bank, no connection with the banking system, no protective tariff. In a word, the paper system, with all its corrupt and corrupting progeny has, as far as this Government is concerned, vanished, leaving nothing but its bitter fruits behind. The great and solemn question now to be decided is, Shall we again return and repeat the same system of policy with all its disastrous effects before us, and under which the country is now suffering, to be again followed with tenfold aggravation; or, profiting by past experience, seize the precious opportunity to take the only course which can save the constitution and the liberty of the country—that of the old State Rights Republican policy of 1798? Such is the question submitted for our decision at this deeply important juncture; and on that decision hangs the destiny of our country. A few years must determine. Much—very much will depend on the President elect. If he should rest his policy on the broad and solid principles maintained by his

native State, in her purest and proudest days, his name will go down to posterity as one of the distinguished benefactors of the country; but, on the contrary, if he should adopt the policy indicated by the amendment, and advocated by his prominent supporters in this Chamber, and attempt to erect anew the fallen temple of consolidation, *his overthrow, or that of his country, must be the inevitable consequence.*

SPEECH

In reply to the Speeches of Mr. Webster and Mr. Clay, on Mr. Crittenden's amendment to distribute the Revenue from the Public Lands among the States; delivered in the Senate, January 30th, 1841.

Mr. Calhoun said: No one who had attended to this debate could doubt that the cession of Virginia, on which the right to distribute the revenue from the public lands had heretofore been placed, was altogether too narrow to support that measure. The portion of the public domain ceded by her is small in amount, when compared with the whole, and by far the better portion of it had already been disposed of; leaving a residue altogether too inconsiderable to effect the object intended by the distribution. The other, and much the larger portion of the public domain, consisting of Alabama, Mississippi, Florida, and the entire region west of the Mississippi River, was purchased out of the common fund of the Union, and no construction which could be put on the deed of cession from Virginia could possibly apply to it. This was seen and felt by the two leading advocates of this amendment on the other side of the Chamber (Mr. Clay and Mr. Webster), and they accordingly endeavored

to find some other ground on which to place the right, broad enough to support the whole; and found it, as they supposed, in the provision of the constitution, which gives to Congress the power to dispose of the territories and other property belonging to the United States. In this they both concurred, so far as the revenue derived from the lands was concerned. But the Senator from Massachusetts, with bolder views than his associate, extended the right of distributing, as I understood him, to the entire revenue—comprehending as well that received from taxes as from lands.

[Mr. Webster interposed, and denied that he had said so.]

I stand corrected, and am happy to hear the denial of the gentleman. I had so understood him, and am gratified that he had so restricted the right as to exclude the revenue from taxes. But I cannot be mistaken in asserting that both of the Senators concur in regarding the power conferred in the provision referred to as having *no limitation whatever but the discretion of Congress.* If such be the true construction, it would, of course, give the right of making the proposed distribution; which presents the question, Has Congress the right of disposing of the public domain, and all the other property belonging to the Union, and the revenue derived therefrom, as it pleases, without any constitutional restrictions whatever?

Before I proceed to discuss that question, it will be well to ascertain what is the extent and value of the property embraced. The public domain, as has been frequently stated in the course of the debate, embraces more than one thousand millions of acres; and the other property includes the public buildings, dock and navy yards, forts, arsenals, magazines, ships of war, cannon, arms of all descriptions, naval stores, and munitions of war. It is difficult to estimate the value of the whole. The public domain alone, according to the estimate of the gentlemen (not mine), at $1 25 per acre, is

worth upwards of $1,200,000,000; and, including the value of the other property, the whole, at the lowest estimate, must far exceed $1,500,000,000, and probably would equal not less than $2,000,000,000. Such is the extent and value of the property over which the two Senators claim for Congress unlimited and absolute right to dispose of at its good will and pleasure. And the question recurs, Have they such right? A graver question has never been presented for our consideration, whether we regard the principles, the amount of property, or the consequences involved.

Now, Sir, in order to test the right, it is my intention to propound a few questions to the Senators, to which I hope they will give explicit answers. Suppose, then, in the progress of time, an administration should come in (I make no allusion to the next), which should think an established church indispensable to uphold the morals, the religion, and the political institutions of the country; would it have the right to select some one of the religious sects—say the Methodist, Baptist, Presbyterian, Episcopalian, or Catholic—and erect it into a splendid hierarchy, by endowing it out of this ample fund?

[Mr. Webster. The constitution expressly prohibits it.]

I hear the answer with pleasure It assigns the true reason. Here, then, we have a limitation in the constitution, by the confession of the Senator; and, of course, there is one restriction at least on the unlimited right which he and his friend claimed for Congress over this vast fund. Having made good this step, I proceed to take another.

Suppose, then, that such an administration should undertake to colonize Africa, with the view of christianizing and civilizing it, and, for that purpose, should propose to vest this vast fund, or a portion of it, in the Colonization Society; would Congress have the right of doing so? Or, to take a still stronger case, suppose a majority of Congress

should become abolitionists; would it have the right to distribute this vast sum among the various abolition societies, to enable them to carry out their fanatical schemes? The Senator is silent. I did not anticipate an answer. He cannot say yes; and to say no, would be to surrender the whole ground. Nor can he say, as he did, that it is prohibited by the constitution. I will relieve the Senator. I answer for him: Congress has no such right, and cannot exercise it without violation of the constitution. But why not? The answer is simple, but decisive;—because Congress has not the right to exercise any power, except what is expressly granted by the constitution, or may be necessary to execute the granted powers; and that in question is neither granted, nor necessary to execute a granted power.

Having gained this important point, I next ask the Senators, Would Congress have the right to appropriate the whole, or part, of this vast fund, to be drawn directly from the treasury, in payment of the principal or interest of the State bonds? And, if not (as they certainly would not, for the reason already assigned), has it the right to give it to the States to be so applied? Can it do that indirectly by an agent, which it cannot constitutionally do directly by itself? If so, I would be glad to hear the reason. I might proceed and propound question after question equally embarrassing; but abstain, lest I should exhaust the patience of the Senate.

But there is one question of a different character, which I must propound, and to which I would be glad to have the answers of the two ingenious and learned Senators. They are both agreed, as I now understand the Senator from Massachusetts, that the revenue from taxes can be applied only to the objects specifically enumerated in the constitution, and in repudiating the general-welfare principle, as applied to the money power, as far as the revenue may be derived from that source. To this extent, they profess to be good

State Rights Jeffersonian republicans. Now, Sir, I would be happy to be informed by either of the able Senators—I regret that one (Mr. Clay) is not in his seat—by what political alchemy the revenue from taxes, by being vested in land or other property, can, when again turned into revenue by sales, be entirely freed from all the constitutional restrictions to which they were liable before the investment, according to their own confessions? A satisfactory explanation of so curious, and apparently incomprehensible a process, would be a treat.

The Senator from Kentucky (Mr. Clay), failing to find any argument to sustain the broad and unqualified right of distributing the revenue from the public lands as Congress might think proper, sought to establish it by precedent. For that purpose, he cited as a precedent, the distribution of arms among the States; which he contended sanctioned also the distribution of the revenue from the lands among them. The Senator forgot that it is made the duty of Congress, under an express provision of the constitution, "to provide for arming the militia;" and that the militia force belongs to the States, and not to the Union; and, of course, that, in distributing arms among the States with the view of arming them, Congress but fulfil a duty enjoined on them by the constitution.

The palpable misconception, as I must consider it, into which the two Senators have fallen, in reference to this important question originates, as I conceive, in overlooking other provisions of the constitution. They seem not to advert to the fact, that the lands belong to the United States —that is, to the States in their united and federal character; and that the Government, instead of being the absolute proprietor, is but an agent appointed to manage the joint concern. They overlook a still more important consideration,— that the United States, in their united and federal character, are restricted to the express grants of powers contained in

the constitution, which says that "the powers not delegated to the *United States* by the constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people;" and, also, that the Congress of the United States, as the common agent, is restricted expressly, in the exercise of its powers, to the objects specified in the instrument, and passing such laws only as may be necessary and proper for carrying them into execution. It follows that Congress can have no right to make the proposed distribution, or use its powers to effect any other object, except such as are expressly authorized, without violating and transcending the limits prescribed by the constitution.

It is thus the whole fabric, erected by the arguments of the two Senators, falls to the ground, by the giving way of the foundation on which they rest, except the small portion of lands embraced in the Virginia cession; which I will next proceed to show stands on ground not more solid. It will not be necessary, for that purpose, to travel over the arguments which I offered, when last up, against the right to make the distribution, attempted to be deduced from that cession, and which have been so much enlarged and strengthened by the able and lucid speech of the Senator from New-York (Mr. Wright). I propose simply to reply, in this connection, to the arguments of the Senator from Kentucky (Mr. Clay), who I again have to regret is not in his place.

His first position was, that the resolution of the old Congress, which recommended to the States to cede the land to the Union, held out, as motives, the payment of the debt contracted in the Revolution, and the inducement it offered to the States to adopt the articles of confederation. From this, he inferred that these constituted the sole objects of the cession. I admit that, if there was any ambiguity in the deeds of cession, as it respects the objects of the cession, a reference to the resolution which proposed it might be fairly made, in order to ascertain the intention of the parties; but

that is not the case. The deeds are couched in the broadest and most comprehensive terms, and make an absolute cession of the lands to the United States, as a common fund, without limitation as to the objects.

But the argument on which he mainly relied, was, that, although the cession is to the United States, in their united and federal character, to be administered by Congress as a common agent, the *use* is for the States in their separate and individual character. If the fact were so, the argument would be strong ; but it happens to be the very reverse. It is expressly provided in the Virginia cession, that the land should be considered *a common fund* for the use and benefit of the States, *as members of the confederation or federal alliance, and for no other use or purpose whatever.* The Senator will not venture to deny that *common* is the very opposite of *separate;* and, of course, the distinction on which he so much relied, that the use was separate, falls to the ground.

His next position rested on the expression in the deed of cession, " according to their usual respective proportion in the general change and expenditure ;" which has been bandied about so often, in this and former discussions on this subject, that I will not go over the argument again, as conclusive as I consider it, as I am sure the Senate must be surfeited to nausea with those words. I take higher ground, which I regard as conclusive, be their meaning what they may.

It will not be denied that the constitution must override the deeds of cession, and that of Virginia among the rest, whenever they come in conflict ; and that, for the plain reason that the parties to both were the same, and had of course a right, in adopting the constitution, to change or modify the previous acts of cession as they pleased. Now, Sir, I repeat, without fear of contradiction, that the constitution, in superseding the old system of requisition on the States,

as the mode of raising the common supplies of the Union, by the system of taxing the people directly, superseded this particular provision, which, all admit, had reference to the former system of requisition. The Senator himself in reality admits such to be the fact, by proposing to distribute the revenue from the lands according to federal numbers—the rule of imposing direct taxes under the constitution; instead of *the assessed value of improved lands*—the rule of making requisitions under the old confederation. This provision, then, being thus superseded, the lands are left, as the property of the Union, for the common use of the States which compose it, freed from these disputed words, and without the semblance of a doubt; and the constitution accordingly speaks of the public lands, in broad and unqualified terms, as *belonging to the United States.*

The last ground assumed by the Senator was, that, as the lands are common property, it is competent for Congress, as the common agent, to divide their proceeds among the United States, as joint owners. It might be true in the case of individuals owning a joint farm, to be worked in common, as supposed by the Senator; but that is not analogous to the case of the United States, where there is a joint concern, *for specific objects*, with a common agent to carry it into effect, *for the joint interest of the concern, without any authority to distribute the profits.* In such a case, it would be contrary to the plainest dictates of reason, and the established principles of law, for the agent to undertake to apply to the separate and individual use of the partners, what was intended by them for the joint concern. It would be to make that separate, which his principals intended to be common.

When I look, Mr. President, to what induced the States, and especially Virginia, to make this magnificent cession to the Union, and the high and patriotic motives urged by the old Congress to induce them to do it, and turn to what is now proposed, I am struck with the contrast, and the great mu-

tation to which human affairs are subject. The great and patriotic men of former times regarded it as essential to the consummation of the Union, and the preservation of the public faith, that the lands should be ceded as a common fund; but now, men distinguished for their ability and influence, and who are about to assume the high trust of administering the Government, are striving, with all their might (and that, too, when this fund is most needed), to undo their holy work. Yes, Sir; distribution and cession are the very reverse, in character and effect; *the tendency of one is to union*, and *the other to disunion*. The wisest of modern statesmen, and who had the keenest and deepest glance into futurity (Edmund Burke), truly said that the revenue is the State; to which I add, that to distribute the revenue, in a confederated community, among its members, is to dissolve the community—that is, with us, the Union; as time will prove, if ever this fatal measure should be adopted.

There is another contrast, not less striking. The States composing the old Confederation, in their extreme jealousy of power, adopted the system of requisition, as the means of supplying the common treasury; but that proving insufficient, it was changed, with the adoption of the present constitution, into the system of laying taxes directly on individuals. But, now, it is proposed to restore virtually the exploded system of requisition, but in reverse order—requisitions of the States on the Union, instead of the Union on the States; and thereby reversing the relation which the wise and patriotic founders of our political institutions regarded as essential to liberty. They regarded it as a fundamental principle, that the people should grant the supplies to the Government, in order to keep it dependent on them. But, now, this is to be reversed; and the Government, in the shape of distribution, is to grant supplies to the people. How is this to be done? How can the Government, which, with all its legislation, does not produce a cent, grant supplies to

of harmony between the old and new States in relation to them? On the contrary, will it not embitter the feelings on both sides? Can he expect that the new States would see with favor a mortgage laid on that portion of the public domain lying within their limits, for the security of the holders of State bonds? Such, virtually, would be the case, should the distribution be made. The holders would regard it as a pledge; and to withhold it, when once made, as a violation of faith.

Would it conciliate the staple States—the growers of rice, cotton, and tobacco—on which the tax to make good the deficiency caused by the distribution must principally fall? It is in vain you tell them that the duties on wines and silks would fall on the consumers, or on the producers of those articles abroad. They know, by woeful experience, that it matters little to them whether the duty be laid on the export of the staples they produce, or the importation of products received in exchange; whether the duties be paid on their products going out of port, or the return cargo coming in. Viewing it in that light, the people of those States will regard the measure as a cunningly devised scheme to pay the debts of others at their expense.

Would it, I again ask, reconcile the States free from debt? Will they be satisfied to be taxed to pay the debts of the States which have been less cautious in their engagements than themselves? I ask the Senators from New Hampshire, —Would their State, happily free from all debt, be satisfied? Instead of the final settlement of the question, or the restoration of harmony, it would unsettle the whole subject of the public lands, and throw the apple of discord among the States.

Having now said what I intended on the immediate question under consideration, I avail myself of the opprtunity to reply to the objections which have been made to the proposition I offered, in an earlier stage of this discussion, to

cede to the new States the lands lying within their respective limits, on just and equitable conditions. The Senate will recollect that the debate on that measure terminated unexpectedly, and without affording me an opportunity of answering the objections against it. As there will, probably, be no other opportunity of meeting them, I trust it will be a sufficient apology for doing so on this occasion.

I begin with what, to me, would be the most formidable objection: that, under the garb of a cession, the measure is, in fact, but a mode of distribution. I reply, as on a former occasion,—Prove it, and I shall renounce it at once and for ever. But I cannot take assertion for proof, however boldly made. Until it is proved, I shall regard the charge of distribution, coming as it does from the open advocates of that measure, as originating in a conscious feeling that, so far from being popular, the scheme has no hold on the affections of the people. If they believed it to be popular, those who so warmly oppose cession would be the last to call it distribution.

It is next objected, that it is a gift of the lands to the new States. Be it so. I would infinitely rather make a gift of the whole, than adopt the fatal policy of distribution; and if it should be necessary to defeat it, I would regard a surrender of the whole as a cheap sacrifice. I go further; and hold, that if the lands, instead of being regarded as the property of the Union, should be regarded as the property of the States separately, the new States would have the best right to the portion within their limits. They possess, unquestionably, the eminent domain, which would have carried with it the property in the public lands within their borders respectively, had they not surrendered it, by special agreement, on their admission into the Union. But that agreement was with the *United States*, and the surrender of the property in the lands was to them; and it may be fairly questioned how far the agreement, on their admission, would

be binding on them, should the revenue from the lands be perverted from the use of the *United States* to that of the States separately, as is proposed by this scheme of distribution.

But is the cession a gift? Does it propose a surrender of the land for nothing? Is 65 per cent. of the gross proceeds to be paid into the treasury, nothing? Is it nothing to put an end to the angry and agitating debates which we witness, session after session, constantly increasing in violence? Nothing, to save the time, and labor, and expense of Congress? Nothing, to curtail one-fourth of the patronage of the Government, and that of the most dangerous character? Nothing, to raise the new States to a level with the old? Nothing, to remove this great disturbing cause which so injuriously influences our legislation? Is it nothing, finally, to substitute a system in lieu of the present, as far as the lands lying within the new States are concerned, which, in addition to all these considerations, proposes the only practical method of preventing the loss of the lands, and which, so far from a pecuniary loss, will bring more into the treasury than the present system? I boldly assert that such would be the case; as I may well do now, as no one opposed to the measure has ventured to question the correctness of the calculation, or the data on which it rests.

But the Senator from Kentucky (Mr. Clay) says it is a gift, because 35 per cent. is too high a compensation to the States for their expense and trouble in managing the land. He estimates the actual expense, all things included, at 2½ per cent. on the gross receipts; and says that all beyond that is a gift to the States. He has ventured this assertion, with the report of the Committee on the Public Lands at the last session before him, containing, in detail, from the proper departments, an estimate of the expense, which, on a supposition that the average annual sale of the portion of the land in question would average two and a half millions, would

amount to 22 per cent. The Senator has omitted all the expenses, except that of selling the lands ; when, by turning to the tables, he will find that nearly one-third is yet to be surveyed and platted ; that a large amount must be paid for extinguishing Indian titles, and removing Indians to the West. He also overlooks that the 5 per cent. fund is to be surrendered by those States—a sum, of itself, equal to double the amount which he has estimated as the entire expense to which the States would be subject.

To these large items must be added donations, which, instead of being made, as they have heretofore been, by Congress, are, if made by the States, to be paid for by them at the selling price of the land at the time—allowing them 35 per cent. ; and also the sums spent on internal improvement, which, with the exception of the portion spent on the Mississippi and Ohio, are to terminate ; and, finally, the saving of expense in our legislation, and in the General Land-Office, in consequence of the cession. All of which the Senator has omitted—omitted, notwithstanding they are to be found in the report before him, and to which he has referred in the debate. These, as I have stated, amount to 22 per cent. on the gross amount of the sales ; to which the committee has added 13 per cent., making the 35—not as a gratuity, but on the ground of liberal compensation beyond mere expense and saving to this Government, as being right of itself, and necessary to ensure the hearty co-operation of the States, in carrying out a measure that would be highly beneficial to the whole Union, and which could not be successfully carried out without such co-operation on the part of the States. Not a cent has been proposed to be allowed, which could be avoided, with just regard to sound policy.

But the Senator was not content with holding out the difference of what he was pleased to regard the actual expense, and the 35 per cent. as a gift. He took stronger grounds, and ronounced it to be a gift of all the public

lands, on the assumption that the cession would be extended to the States hereafter to come in, on their admission; and, next, to the territories; and, finally, to the whole of the public domain. I will not undertake to reply to a mere assumption without proof, further than to say, that every measure of sound policy may be in like manner condemned, if it is to be assumed that what we have wisely done, under all the circumstances of the case, may form a precedent for others to do under dissimilar circumstances, and without regard to the principle on which we acted. In proposing the measure I have, I yield to the necessity of remedying a great and growing evil, originating in the fact that this Government is the owner and administrator of a large portion of the territories of nine States of this Union, and which cannot be remedied so long as their ownership and administratorship continue. It is the number and influence of the States in which they exist, that give such magnitude and danger to the evil; and what we may do now, under such circumstances, cannot constitute a precedent, to be extended in the manner which the Senator supposes it will be. On the contrary, by adopting the measure, we would enlist the new States, now opposed to the old on almost all questions growing out of the public lands, to aid in vigilantly guarding the residue of the public domain.

The Senator from Massachusetts (Mr. Webster) took different grounds. He insisted that cession necessarily implies gift; and therefore, as I suppose, the one I have proposed is a gift, in spite of the many valuable considerations inducing to it. I do not attach the same meaning to the word which he does; but, as I have no taste for verbal criticism, I have assented to the request of a friend, to change "cession" to "dispose of"—the words used in the constitution, and which, on the authority of the two Senators, are of such comprehensive meaning as to confer on Congress unlimited power to do as they please with the public lands.

But it seems that, so soon as I had availed myself of this comprehensive term, it forthwith contracted to the narrowest limits. I was told the lands could not be disposed of to the States. Why not? They can be disposed of to individuals, and to companies of individuals; and why not to that company or community of individuals which constitutes a State? Can any good reason be assigned?

I am next told that we may dispose of them absolutely, but not conditionally. I again repeat the question—why not? What is it that limits our power? We can dispose of the lands to individuals on condition, of which there are striking instances in lands containing lead-mines. They are leased for a term of years, on condition that one-tenth of the lead be paid to the Government in kind. If this can be done for a term of years, what is to prevent it from being done for ever, on the same condition? And, if so, why may we not prescribe the rules by which the mines shall be worked? If all this can be done in the case of individuals, what is to prevent it from disposing of the public lands to the States, on the conditions proposed, and to prescribe the rules to be observed by them in the sales and management; —that is, to adopt the measure I have proposed?

It is next objected, that it is not a disposition of the lands, but merely a transfer of the administration of them to the States. I deny the fact. It is intended, and is in reality, a conditional disposition or sale to the States. But, if it were otherwise, and as supposed, I ask, What is there to prevent Congress from disposing of the lands by an agency, or employing the States as the agents, and prescribing the rules by which they shall be disposed of? I can see no solid objection to such arrangement; but do not deem it necessary to discuss the point, because the fact is not as is supposed.

Then follows the objection, that it would create the relation of creditor and debtor between this Government and the

States. Admit it to be the fact: I ask, Is that relation more objectionable, or as much so, as that which now exists, of landlord and tenant, growing out of ownership and administration in this Government of so large a part of the domain of these States—a relation which is the parent of so many evils, both to them and us? But, to put an end to the objection, I have, on the suggestion of some of the members from the new States, so modified my proposition as to provide that the 65 per cent. of the proceeds of the sales coming to the Government, shall be paid directly to its own officers—say the marshals in each of the States. Now, I ask the opponents of the measure to join me, and, by the cession, to put an end, in the only way it can be done, to the still more objectionable relation of landlord and tenant between this Government and the States.

It is further objected, that it would not settle the question. It is said, if we cede the lands, the next demand would be to relinquish that portion of the proceeds of their sales which is to be paid to the Government; that concession would have to follow concession, till the whole would be lost. This, Sir, is the old answer which the advocates of existing abuses are ever ready to give those who complain. It is the answer of Lord North in the controversy which led to our Revolution. He refused to yield the disputed right of taxing the colonies, on the ground that to yield would not satisfy them. If taxation was surrendered, he said, it would not settle the question; that their next demand would be to surrender the right of regulating their commerce. The result of such blind obstinacy was the dismemberment of the British Empire.

There is not a feature which more strongly distinguishes the firm and enlightened statesman from the obstinate or weak, than that of knowing when it is proper to make concessions, as the means of avoiding, in the end, the humiliation of submission on the one hand, or the mortification of

defeat on the other; and never was there an occasion, or a question, when it was more politic than at this time, and on this question. It may now be made with dignity. The question may now be adjusted on just and honorable terms; but, if it be delayed, the new States will decide it, in a few years, in their own way, without asking our leave, by their rapid relative increase in population and political weight.

They are now anxious for a fair adjustment; and we may satisfy them, without making any real sacrifice on our part; and it is doing injustice to them to suppose that, after soliciting a measure so liberal, and from which they would derive such advantages, they would suddenly turn round and condemn what they had solicited, and make the palpably unjust demand, that we should surrender the portion of the proceeds coming to the Government. There is nothing in their past history that would warrant such an imputation on their character.

It was next objected, that the measure was unequal; and to prove it so, the case of Ohio, which has but a small amount of public lands within its limits to be disposed of, was contrasted with that of Illinois, which has a large amount; and, because the portion of the proceeds to be allowed to the States (35 per cent. of the gross amount) would be small in the case of the former, when compared with that of the latter, the measure is pronounced unequal and unjust. If it were a scheme of distribution, as has been erroneously alleged, such might be the fact; but as, instead of that, it is a mere compensation or commission for trouble, expense, responsibilities to be incurred, and services rendered, so far from being unequal, because the amount to be received in the one case was not equal to that in the other, it is precisely the reverse. Equality of compensation for equal expense and service, is equal; but equality for unequal expense and service, would be glaringly unequal; and, had I proposed to allow Ohio the same amount of compensation for

the expense and trouble of managing the small portion of the public domain in her limits, as that to be allowed to Illinois for the management of the large portion within hers, instead of allowing a compensation to each proportioned to their respective expenses and services, it would, so far from being equal, have been grossly unequal, and would have been so pronounced by those who now make this objection.

In this connection I must say that I cannot but regret that the Senator from Ohio (Mr. Allen), in answer to the Senator from Kentucky (Mr. Clay) on this alleged inequality between Ohio and Illinois, did not meet him, by denying the truth of his allegation, instead of in the manner he did; which had, to say the least, the appearance of sustaining the side to which he is most opposed, against that to which he is less.

[Mr. Allen rose to explain. Mr. Calhoun said he did not doubt that the Senator gave the true explanation of his vote, but did not think it was called for at the time, and that the effect was as he had stated.]

Another objection was, that it did not extend to the territories. This objection had the advantage (which few others had) of being founded in fact, but was unfounded in reason. Had it been extended to them, it would have gone beyond the mischief, and would have been wholly improper. The evil, I repeat, originates in the fact of the Government being the owner and administrator of so large a portion of the domain of nine States of the Union (being more than one-third of the whole); and must increase, so long as it remains, with the increased number and relative weight of the new States. They will soon be increased to twelve, by the admission of the three territories, with a corresponding increase of weight in the Government. The territories, on the contrary, are without political weight; and, of course, with the object in view, it would have been preposterous to have included them.

As little force is there in the objection, that some of the States would not accept of the cession. It is possible that Ohio and Indiana might not; but not probable, as the amount of public land within their borders is inconsiderable. But what of that? Should it prove to be the case, what possible injury could result? The fact of not accepting would be proof conclusive that the evil to be removed acted with but little relative force in either; and that the old system might be left to go on quietly in both, until the land within their limits was all disposed of. But the case is very different in the other seven. In them, it is in active operation; and they would gladly accept of the cession, as the only remedy that can reach the disease, consistently with the interests of all concerned.

I come now to the final objection,—that the land system is working well, and that we ought to adhere to the old maxim, "Let well enough alone." I say the final, as it is the last I recollect. If (as is possible—I took no notes) I have omitted to notice any objection made by the opponents of the measure, I call on them to name it now, that I may answer it before I proceed to notice the one just stated.

When I first addressed the Senate on this subject, at the opening of the discussion, I admitted that the system worked well at first; but I must limit the admission to its earliest stages. From the beginning, it contained within itself the seeds of mighty disorders, and of great evils to the country, if nothing should be done to avert them. If I do not greatly mistake the tendency of the system as it stands, it is to extinguish the Indian titles far more rapidly than the demands of our increasing population require, and to disperse our population over a larger space than is desirable for the good of the country. That the former of these evils exists in reality, the proof is conclusive; and that it is already the cause of much difficulty and danger, and that both are rapidly on the increase, so as to threaten the loss of the lands themselves,

I have, I trust, conclusively shown in my former remarks. It is sufficient here to repeat, in order to show that the Indian title has been too rapidly extinguished, that the Government has sold, from the beginning of the system (now almost half a century,) but little more than eighty millions of acres ; and that not less than twenty millions, probably, are held by large holders, who purchased on speculation to sell again ; making the actual demand for land for settlement not exceeding, probably, sixty millions in that long period of time. But during the same period, the Indian title has been extinguished to about three hundred and twenty millions of acres, of which about two hundred and twenty-six millions remain unsold—exceeding fourfold the demand for lands in consequence of the increase of our population. Such is the fact. To what cause is it to be attributed ? I feel confident it will be principally found in the land system itself, which has been so indiscriminately praised during the discussion.

But, before I proceed to assign my reasons, it will be proper to pause and reflect on the influence that the occupation of the aborigines, whom we are so rapidly expelling, has had, through the mysterious dispensation of Providence, on the prosperity and greatness of our country. They were precisely in the condition most favorable to that mode of settlement which was best calculated to secure liberty, civilization, and prosperity. Had they been more numerous or powerful, the settlement of our country would either not have been made at all, or would have been by the immediate agency and superintendence of the Government, with a force not only sufficient to expel or subjugate the aborigines (as in Mexico by the Spaniards, and Hindostan by the English), but also sufficient to keep the colonies in subjection. How great a change such a mode of settlement would have made in the destiny of our country, is not necessary to be explained on this occasion. But, as it was, they were not too strong

to prevent settlement by hardy and enterprising emigrants, inspired, in some instances, with a holy zeal to preserve their religious faith in its purity; in others, by the love of adventure and gain; and in all, with a devotion to liberty. It is to settlements formed by individuals so influenced, and thrown, from the beginning, on their own resources almost exclusively, that we owe our enterprise, energy, love of liberty, and capacity for self-government.

But there is another consideration, not less important, connected with the occupancy and condition of the aborigines. Had they not existed at all, or been too weak to prevent our people from spreading out over the vast extent of the continent, without resistance, or with resistance too feeble to keep them within moderate limits, in the rapid and wide outspread after game, pasturage, or choice spots on which to settle down, the far larger portion would have lost all the arts of civilized life, and become fierce herdsmen and barbarians, like our ancestors; and like them, in their frequent inundations over southern Asia and Europe, would have overflowed and desolated the civilized, agricultural and commercial settlements along the coast, excepting such as might be protected by walls and fortifications.

It is to this fortunate combination of facts connected with the aboriginal population, that they were not strong enough to prevent settlements in the manner they were actually formed, while they were sufficiently strong to prevent the too rapid spread of our population over the continent, that we owe, in a great measure, our wonderful success. A change in either the one or the other would have changed entirely, in all probability, the destiny of our country.

The bearing of this digression on the point under consideration will be readily perceived. We have grown, indeed, to be so powerful, that the aborigines can no longer resist us by force, and there is no danger that the arts of civilized life would be lost by the spreading out of our

population ; but the aboriginal population would not therefore cease to perform an important function in our future growth and prosperity, if properly treated. They are the land wardens or keepers of our public domain, until our growth and increase of population require it, as the means of new settlements. But till then, our interests, no less than justice to them, require that their occupancy should continue ; and if the extinguishment of their title should continue to outrun the regular demand of our population for settlement, as rapidly in proportion hereafter, as it has heretofore, it is difficult to conceive the confusion and difficulty which must follow. Those we now experience are nothing to those which would come. That such must, however, prove to be the case, to a great extent, if our land system continue as it is, I hold to be certain. The cause, as I have said, is inherent in the system as it exists ; and, if not corrected, will impel our population, by its necessary operation, from the States to the territories, and from them to the Indian possessions ; which I shall now proceed to explain.

The system, as it now stands, embraces three powerful causes, all of which conspire to produce these results ; pre-emption, as proposed by this bill, before survey and sale ; the auction system, under its actual operation ; and a fixed minimum for all the lands, be the quality or the time which they have been offered for sale what it may. They act together, and jointly contribute to the results I have attributed to them.

My friends from the new States, who are so much attached to pre-emption, as proposed by this bill, must excuse me for speaking my opinion freely of their favorite measure. The consequences involved are too important to allow me to keep silence.

What, then, is this pre-emption principle? and how does it operate as a part of the existing land system ? It is neither more nor less than to say to every one, when the In-

dian title is extinguished to a new portion of the public domain, that you may go, and search, and take all the choice parts, the fertile spots, the favorable localities, the town sites, or whatever other advantages any portion may possess, at $1 25 per acre; and that not to be paid till the lands are offered at auction, which may be many years thereafter. What, then, is its operation, but to give pick and choice of the public domain to the active and enterprising, who are best acquainted with the tract of country to which the Indian title is extinguished, with the speculating capitalists, who may choose to associate with them? It is like spreading out a large table, having a few choice and costly dishes intermixed with ordinary fare, and opening the door to the strong, and the few that may be nearest to rush in and select the best dishes for themselves, before the others at a distance can enter and participate. And can we wonder, with such advantages, that there should be an active and powerful interest constantly at work to extinguish the titles of the Indians in rapid succession, without regard to the demand of our increasing population; to spread out table after table, that they may gorge their appetites on the choicest dishes, and slake their thirst with the most costly wines; leaving the ordinary fare, with the crumbs and bones, to the rest of the community?

But this is not all. After this picking and choosing, under the pre-emption, as it has heretofore operated, and which it is now proposed to make prospective and perpetual, comes the auction system; that is, the sales of the lands at vendue to the highest bidder. Nothing could be more just and equal, if fairly carried out; but it is notorious that the very opposite is the case under its actual operation. Instead of leaving the lands to be disposed of to the bids of individuals, according to their conception of the value of each tract, the whole is arranged beforehand, *by combinations of powerful and wealthy individuals*, to take the choice of the lands

left by the pre-emptioners, and to run down all individual competition, so that no one can obtain what he wants without joining them; and thus another powerful interest is united with the former, to extinguish the Indian title—to spread out another table.

The next feature of the system so much lauded operates the same way—I refer to what is called the minimum price; that is, of fixing one invariable price of $1 25 an acre for all lands not sold at auction, without regard, as has been said, to quality, or the time it has been in market. The effect of this, with a quantity on hand to which the Indian title is extinguished so far exceeding the demand of the community, is to sink the value of all the unsold land which has not been offered at auction, to a price below the minimum, except a small portion of the best, which is annually purchased. Taking the aggregate of the whole of the lands in the new States, it would, according to its estimated present value by the Committee on the Public Lands, not be worth, on an average, more than 16½ cents per acre. The result is, that no one is willing to give the minimum for the inferior or less valuable portion. Hence comes that great and growing evil, of occupancy without purchasing; which threatens the loss of the public domain, unless arrested by some speedy and decisive remedy. It has already extended far beyond what is thought of by those who have not looked into the subject, and is still rapidly progressing. I have taken some pains to ascertain to what extent it has increased in two of the States—Illinois and Alabama. It is probable that there are not less than thirty thousand voters in those States, residing on public lands as mere occupants, without title. In a single Congressional district in Alabama, there are, by estimate, six thousand voters. But, great as this evil is, it is not all. The fixed minimum price co-operates with the pre-emption and auction systems to impel emigrants, especially of the more wealthy class, to turn from

the States to the territories, where the land has been less culled over: and from the territories to the Indian lands, for the same reason; thus urging forward our population further and further, and driving before them the Indian tribes, unmindful of the dispensation of a kind Providence, which placed them as a restraint on the too rapid dispersion of our population.

There is another and powerful cause co-operating to the same result, which must not be passed unnoticed. I refer to the vast expenditures in the last twelve or fifteen years, in holding treaties with the Indians, and in extinguishing their titles, including reservations, and removing them to the West; equalling, in some instances, the fee-simple value of the lands, and in many others not much less. These immense expenditures, amounting, in the period specified, I know not to how many millions (not less, certainly than forty or fifty), have made such treaties a great money-making affair, the profits of which have been divided between influential Indian chieftains and their white associates, and have greatly contributed not only to increase the force of the other causes in the too rapid extinguishment of Indian titles, but to diffuse widely the baneful spirit of speculation.

Such are the inherent defects of the system, and the results to which they have led, and must continue to lead, so long as it can find subjects on which to operate, if not remedied. The measure I have proposed would apply an efficient remedy, as far as the public lands in the new States are concerned. The combined action of graduation and pre-emption applied to lands which have been offered for sale, as provided for by the amendment I offered, would in a few years, convert the occupants without title into freeholders; while, at the same time, it would tend powerfully to prevent the population of the new States from emigrating, and turn towards those the tide of emigration from the old States, and, to the same extent, counteract the too rapid spreading out of our

population, and extinguishment of the titles of the Indians. But nothing can effectually remedy the defects of the system, but a radical change. What that ought to be, would require much reflection to determine satisfactorily; but it seems to me, on the best reflection I can give it, that if, in lieu of public sales at auction, a system of graduation and pre-emption had been introduced from the first, fixing a maximum price sufficiently high when the lands are first offered for sale, and descending gradually, at short intervals of one or two years, to the present minimum price, and then in the manner proposed in the measure which I have brought forward, giving the right of pre-emption at every stage, from first to last, to the settlers, it would have averted most of the evils incident to the present system, and, at the same time, have increased the revenue from the lands. It would have checked the spirit of speculation; concentrated our population within the proper limits; prevented the too rapid extinguishment of Indian titles; and terminated our ownership and administration of the lands in the new States, by disposing of them within a moderate period of time, and prevented most of the mischievous consequences which have been experienced. The introduction of such a change, or some such, founded on the same principles, in reference to lands not yet offered for sale in the territories, and the portion of the public domain lying beyond, and to which the Indian title is not yet extinguished, would, in combination with the measure I have proposed, go far to restore the system to a healthy action, and put a stop to the further progress of the evil, and remedy, in a great measure, those already caused. I throw out these suggestions for reflection, without intending to propose any other measure except the one I already have.

[At the conclusion of the debate, and just before the vote was taken on his proposition to dispose of the public lands to the new States in which they are situated, upon certain conditions, Mr. Cal-

houn rose in his place, and read from Gales & Seaton's Register of Debates, in support of his position, the following extract from the speech of Mr. John Randolph of Virginia, in the Senate of the United States, in March, 1826, in reply to General Harrison of Ohio, the subject of the Cumberland road being under consideration:—

"Mr. Randolph again rose and said: The gentleman is mistaken if he supposes that I begrudge the people from Ohio the lands within the body of Ohio. I wish that every new State had all the lands within the State, that, in the shape of receiverships and other ways, these States might not be brought under the influence of this ten miles square. In other words, I wish that all the patronage of the Land Office was in the hands of the individual States, and not in the hands of the General Government. I am the friend of State rights, and will cut down the patronage of this General Government, which has increased, is increasing, and must be diminished; or we, the States, shall be not only 'shorn of our beams,' Sir, but 'abolished quite.'"

Mr. Benton then rose, and read the following extract from a speech of Mr. Van Buren on the same subject, delivered in the Senate on the 18th of May, 1826:—

"Mr. Van Buren said: The subject of the public lands was becoming daily more and more interesting, and would occupy much time in legislation. It extended the patronage of the Government over these States to a great extent; it subjected the States in which those lands were situated to an unwise and unprofitable dependence on the Federal Government. Mr. V. B. said he should vote for every call on that subject, to enable them at some future day to act understandingly on it. No man could render the country a greater service than he who should devise some plan by which the United States might be relieved from the ownership of this property by some equitable mode. He would vote for a proposition to vest the lands in the States in which they stood, on some just and equitable terms as related to the other States of the Confederacy. He hoped that, after having full information on the subject, they would be able to effect that great object. He believed that if those lands were disposed of at once to the several States, it would be satisfactory to all."

Mr. Benton also read from the Senate Journal of May 20, 1826, the following motion, as having been submitted by Mr. Tazewell of Virginia, to the effect as stated:—

"Mr. Tazewell submitted the following motion,—

"*Resolved*, That it is expedient for the United States to cede and surrender to the several States, within whose limits the same may be situated, all the right, title, and interest of the United States to any lands lying and being within the boundaries of such States respectively, upon such terms and conditions as may be consistent with the due observance of the public faith, and with the general interest of the United States."

On the subject of graduating the price of the public lands, Mr Tazewell said, in 1828, in his place in the Senate:—

"That he was pleased with the plan of the gentleman from Missouri (Mr. Benton), but he thought it ought to extend further. He would wish to have the arrangement something like this: while the lands are at the highest minimum, one dollar, allow the actual settlers to have the pre-emption right at seventy-five cents; when they are at seventy-five cents, allow actual settlers to enter them at fifty cents; and so on down to the lowest. This, he thought, would be productive of a good effect, as it would be a continued encouragement to actual settlers, and give them an advantage over other purchasers."

After the reading of these extracts, the vote was taken on Mr. Calhoun's proposition, as submitted by Mr. Young, and resulted as follows:—

Yeas:—Messrs. Allen and Tappan of Ohio, Anderson and Nicholson of Tennessee, Benton and Linn of Missouri, Calhoun of South Carolina, Clay and King of Alabama, Fulton and Sevier of Arkansas, Lumpkin of Georgia, Mouton and Nicholas of Louisiana, Norvell of Michigan, Pierce of New Hampshire, Roane of Virginia, Robinson and Young of Illinois, and Walker of Mississippi—20.

Nays:—Messrs. Bates and Webster of Massachusetts, Bayard and Clayton of Delaware, Buchanan and Sturgeon of Pennsylvania, Clay and Crittenden of Kentucky, Dixon and Knight of Rhode Island, Graham and Mangum of North Carolina, Henderson of Mississippi, Hubbard of New Hampshire, Huntington and Smith of Connecticut, Ker and Merrick of Maryland, Phelps and Prentiss of Vermont, Porter of Michigan, Preston of South Carolina, Rives of Virginia, Ruggles and Williams of Maine, Smith and White of Indiana, Southard and Wall of New Jersey, and Tallmadge and Wright of New-York—31.

Of the eighteen Senators from the nine new States, fourteen voted

for the amendment; and four, Messrs. Smith and White of Indiana, Mr. Henderson of Mississippi, and Mr. Porter of Michigan, voted against it.

IN SENATE OF THE UNITED STATES.

Twenty-Sixth Congress and Second Session, January 30th, 1841.

Submitted by Mr. Young of Illinois, and ordered to be printed,

Mr. Calhoun's Land Bill, to dispose of the public lands to the new States in which they are situated.

Proposed by Mr. Young as an amendment submitted by Mr. Crittenden, to recommit, with certain instructions, the bill (S. 28) "to establish a permanent prospective pre-emption system in favor of settlers on the public lands who shall inhabit and cultivate the same, and raise a log cabin thereon," viz.: Strike out all after the word "report,' in the second line, and insert the following as an amendment to the original bill:

A provision to dispose of the public lands within the limits of the new States, to the following effect:

That all the public lands within the States of Alabama, Mississippi, Louisiana, Arkansas, Missouri, Illinois, Indiana, Ohio, and Michigan, with the exceptions of the sites of fortifications, navy and dock yards, arsenals, magazines, and all other public buildings, shall, after the thirtieth day of June, eighteen hundred and forty-two, be disposed of to the States within the limits of which they are respectively situated, they having previously complied with the following conditions:

First. That the said States shall severally pass acts, to be irrevocable, that they will monthly, as the sales of the said lands shall progress, pay into the treasury of the United States, at the most convenient places of deposit, and to such officer as may be appointed to receive the same, sixty-five per cent. on the gross amount of the sales of such lands, including under sales, grants, and donations by the States; estimating the lands at the selling price at the time of the grant or donation, on or before the first day of February of each succeeding year.

Secondly. That the minimum price, as now fixed by law, shall remain unchanged until the thirtieth day of June as aforesaid; but, after that period, the price may be reduced by the States respectively, according to the following scale: all lands theretofore offered at public sale, and then remaining unsold ten years or upward, preceding the thirtieth day of June aforesaid, may be reduced, by said States, to a price not less than one dollar per acre;

and all lands that may have been offered at public sale, and remaining unsold fifteen years or upward, preceding the said thirtieth day of June, eighteen hundred and forty-two, may thereafter be reduced by said States to a price not less than seventy-five cents per acre; and all lands that may have been offered at public sale, and remaining unsold twenty years or upward, preceding the said thirtieth day of June, eighteen hundred and forty-two, may then be reduced by said States to a price not less than fifty cents per acre; and all lands that may have been offered at public sale, and remaining unsold twenty-five years or upward, preceding the said thirtieth day of June, eighteen hundred and forty-two, may thereafter be reduced by said States to a price not less than twenty-five cents per acre; and all lands that may have been offered at public sale, and remaining unsold thirty years or upward, preceding the said thirtieth day of June, eighteen hundred and forty-two, shall be ceded immediately to the States in which said lands are situate: *Provided*, That all lands which shall remain unsold after having been offered at public sale for ten years, and which do not come under the above provisions, shall be subject to the provisions of pre-emption, graduation, and disposition aforesaid, at the respective periods of ten, fifteen, twenty, twenty-five, and thirty years, after said sale, commencing from the expiration of ten years after the same had been offered at public sale.

Thirdly. That the lands shall be subject to the same legal subdivisions in the sale and survey as is now provided by law, reserving for each township and fractional township the sixteenth section, or the substitute, for the use of schools, as heretofore provided by law; and the land not yet offered for sale, shall be first offered by the State at public auction, except in cases of pre-emption, and be sold for cash only in the manner now provided by law. And any land now or hereafter remaining unsold after the same shall have been offered at sale at public auction, shall be subject to entry for cash only, according to the graduation which may be fixed by the States respectively, under the provisions of this act; and that the acts of Congress which may be in force at the time of assenting to this act shall remain unchanged, except as modified by this act, unless with the assent of Congress: *Provided*, That any of the said lands may, after they shall have become subject to private entry, be sold at the option of the purchaser, in quarter sections, without any limitation whatever.

Fourth. This disposition of public lands, together with the portion of the sales to be retained by the States respectively, under the provisions of this act, shall be in full of the five per cent. fund, or any part thereof, not already accrued to any State; and the said State shall be exclusively liable for all charges that may hereafter arise from the surveys, sales,

and management of the public lands, and extinguishment of Indian title within the limits of said States, respectively.

Fifth. That, on a failure to comply with any of the above conditions, or a violation of the same, on the part of any of the said States, the cession herein made to the State, failing to comply with or violating said conditions shall be thereby rendered null and void; and all grants or titles thereafter made by said State, for any portion of the public lands within the limits of the same, ceded by this act, shall be, and are hereby declared null and void, and of no effect whatever.

Sec. 2. *And be it further enacted*, That, upon every reduction in the prices of said lands, which shall take place by the graduating process of this bill, the legislatures of the several States in which the lands are situated shall, at their discretion, have power to grant to the respective occupants or settlers upon any of said lands, rights of pre-emption at such graduated or reduced prices; which rights shall extend to a period of ninety days from and after the dates at which the respective graduation shall take place; and any lands not taken up by the respective occupants or settlers within that period, shall be liable to be entered or purchased by any person, until the next graduation or reduction in price shall take place, when it shall, if not previously purchased, be again subject to the right of pre-emption for ninety days, as before; and so on, from time to time, as said reductions shall take place.

Sec. 3. *And be it further enacted*, That whenever the President of the United States shall be officially notified that any of the States aforesaid has passed an act in compliance with the above conditions, it shall be his duty, after the thirtieth day of June aforesaid, or forthwith after the passage of said act, if passed subsequent to that period, to adopt such measures as he shall think proper to close the land-offices, including the surveying department, within the limits of said State; and that the commissions of all officers connected therewith shall expire on a day to be fixed by him, but which day shall not be beyond six months after the thirtieth day of June aforesaid, or, if subsequent thereto, from the day he received the official notification of the passage of said act.

Sec. 4. *And be it further enacted*, That on such notification being made, the said State shall be relieved from all compacts, acts, or ordinances, imposing restrictions on the right of said State to tax any lands by her authority subsequent to the sale thereof, ceded by this act; and all maps, titles, records, books, documents, and papers, in the General Land Office at Washington, relative to said lands, or duplicates thereof, where the originals cannot be properly transferred, shall be subject to the order and disposition of the executive of said State, in such manner as the legislature of said States may respectively appoint.

Sec. 5. *And be it further enacted*, That all lands of the United States within the limits of the State of Tennessee, with the exceptions enumerated in the first section of this act, shall be, and the same are hereby, ceded to said State.

Sec. 6. *And be it further enacted*, That the sixty-five per cent. of the proceeds of the said sales hereby secured to be paid to the United States, shall be set apart and exclusively applied to the gradual increase of the navy, and the erection of such fortifications for the general defence of the country, as Congress may by law hereafter order and direct.

REMARKS

On the Bill reported by the Committee on Finance to repeal the Independent Treasury Bill; delivered in the Senate, June 9th, 1841.

[The Bill having been read a third time, the question came up—"Shall it pass?" Mr. Woodbury addressed the Senate at considerable length, in opposition to the Bill; and at the conclusion of his remarks, Mr. Calhoun rose and said:—]

He wished, before the vote should be taken, to offer a few words on the proposed measure. One fact was established, during the discussion, and that an important one,—that there was a large majority in the Senate who were utterly averse to leaving the treasury under an unregulated State bank system. He need not refer to the individual gentlemen who had expressed this opinion. The fact was unquestionable. Now, he asserted, these gentlemen had done by their vote, on yesterday, just what they said they would not do. In the first place, they had voted for his (Mr. C.'s) amendment to the amendment of the Senator from Kentucky (Mr. Clay), which that Senator acknowledged would remove the disabilities arising under the Deposit Act of 1836, and without which it would be utterly impracticable to carry

that law into execution. In this they did right. The object of Mr. C.'s amendment was, to make the law practicable;—but gentlemen, after voting in its favor as an amendment to that moved by the Senator from Kentucky, had voted down the amendment as amended, and left the act of 1836 in a condition acknowledged by themselves to be impracticable. How would this operate? The Government would be compelled to go back to the alternative of either keeping its own money by its own Treasurer,—that is, to re-establish the Independent Treasury (the very act they are about to repeal); or of using the State banks as depositories, in express violation of law.

There was another result:—it would be compelled, unless it violated the law, to collect its duties wholly in gold and silver; which would, in fact and practice, carry out the Independent Treasury system more rigidly than had ever yet been done, contrary to what gentlemen declared to be their object. The Secretary must either do this, or act in express violation of law. He would be compelled to act more rigidly than under the law proposed to be repealed. He must do so, if he means to act conscientiously. This result is inevitable. And yet gentlemen say, they abhor leaving the country under a state of things unregulated by law. Mr. C. called upon them to answer him—or, by their silence, to admit the truth of what he said.

The whole of this proceeding was most extraordinary. Gentlemen said that the voice of the American people demanded the course they were pursuing. Now, Mr. C. would admit, for the sake of argument, that the voice of the majority was against the Independent Treasury—though he held it very doubtful—but there could be no doubt that their voice had been uttered in an infinitely louder tone against leaving the public money in a condition unprotected by law. Under the pretence, then, of carrying out the public will,

they were about to do an act which was infinitely more in opposition to the will of the country than any other.

We had been told that this was to be a *reform administration.* Now, he held that no act which violated the law and the constitution was worthy of the name of reform ;—and yet the only two acts of this Reform Party were,—to leave the printing of the Senate unregulated by law, and to place the treasury in a condition still worse ;—that is, in one, in which it could only be regulated at all by violating law. No :—there was another—who was the printer to the Senate ? Did any gentleman know ? What were the prices paid for the printing ? Could any gentleman tell ? Who fixed these prices ? Did any one know ? Could any gentleman reply ? All this was also left to the discretion of the Secretary ;—and this, too, by rescinding an existing contract with the former printer, which regulated by law all that appertained to the printing of the Senate. These facts would shortly go to the American people. This, gentlemen knew, and yet remained silent.

But we are told that this state of things was to be *temporary* only. Was this so certain ? Were gentlemen so perfectly united among themselves, as to what substitute was to be provided for it ? Did not many among them start aside, and, on constitutional grounds, oppose the establishment of a Bank of the United States ? If this had defeated the bank, what plan would they next have proposed ? Could there be found an intermediate ground between a bank—the Independent Treasury—and the State bank system ? There might possibly be,—but what and where was it ? He was no enemy to the banking system ; but he acknowledged he had no faith in banks of circulation and issue. He had long ago said that the banks must fall by their own hands. Did gentlemen think they acted as friends to the banks, by repealing the Independent Treasury ? According to his belief—whether they create a Bank of the United States or

not,—it was indispensable that the Government should collect its dues in gold and silver, and its own credit. Without this, the Bank of the United States itself must run down, if one should be established. There must be expansions, under a bank circulation, great and sudden. Nothing could prevent it—and the bank would, sooner or later, be swept by the board ;—unless some provision be adopted which should be quite as strong as the Independent Treasury law. All general bank expansions had commenced in England ; and when their banks or ours must explode, the calamity must fall on ours,—as constituting the weaker part of the boiler. The strongest possible provision against such a disaster would be, to collect the dues of the Government in specie. But he saw plainly that gentlemen would have their way ;—yet time would show who was right. An experience of less than ten years would satisfy them of their profound error.

SPEECH

On the Case of McLeod, delivered in the Senate, Friday, June 11th, 1841.

[*In Senate, Friday, June* 11, 1841.—The business before the Senate being the motion of Mr. Rives to refer so much of the President's Message as relates to our foreign affairs to the Committee on Foreign Affairs—]

Mr. Calhoun said : I rise with the intention of stating very briefly the conclusion to which my reflections have brought me on the question before us.

Permit me, at the outset, to premise that I heartily approve of the principle so often repeated in this discussion, that our true policy, in connection with our foreign relations, is neither to do nor to suffer wrong, not only because the

principle is right of itself, but because it is in its application to us, wise and politic, as well as right. Peace is pre-eminently our policy. Our road to greatness lies, not over the ruins of others, but in the quiet and peaceful development of our immeasurably great internal resources—in subduing our vast forests, perfecting the means of internal intercourse throughout our widely extended country, and in drawing forth its unbounded agricultural, manufacturing, mineral, and commercial resources. In this ample field, all the industry, ingenuity, enterprise, and energy of our people may find full employment for centuries to come; and, through its successful cultivation, we may hope to rise, not only to a state of prosperity, but to that of greatness and influence over the destiny of the human race, higher than has ever been attained by arms by the most renowned nations of ancient or modern times. War, so far from accelerating, can but retard our march to greatness. It is, then, not only our duty, but our policy, to avoid it, as long as it can be avoided, with honor and a just regard to our rights; and, as one of the most certain means of avoiding war, we ought to observe strict justice in our intercourse with others. But this is not of itself sufficient. We must exact justice as well as render justice, and be prepared to do so; for where is there an example to be found of either an individual or nation, that has preserved peace by yielding to unjust demands?

It is in the spirit of these remarks that I have investigated the subject before us, without the slightest party feelings, but with an anxious desire not to embarrass existing negotiations between the two governments, or influence in any degree pending judicial proceedings. My sole object is to ascertain whether the principle already stated, and which all acknowledge to be fundamental in our foreign policy, has in fact been respected in the present case. I regret to state that the result of my investigation is a conviction that it has not. I have been forced to the conclusion that the Secretary of

State has not met the peremptory demand of the British Government for the immediate release of McLeod as he ought ; the reasons for which, without further remark, I will now proceed to state.

That demand, as stated in the letter, rests on the alleged facts, that the transaction for which McLeod was arrested, is a public one ; that it was undertaken by the order of the colonial authorities, who were invested with unlimited power to defend the colony, and that the Government at home has sanctioned both the order and its execution. On this allegation, the British Minister, acting directly under the orders of his Government, demanded his immediate release, on the broad ground that he, as well as others engaged with him, was "performing an act of public duty, for which he cannot be made personally and individually responsible to the laws and tribunals of any foreign country;" thus assuming as a universal principle of international law, that where a government authorizes or approves of an act of an individual, it makes it the act of the government, and thereby exempts the individual from all responsibility to the injured country. To this demand, resting on this broad and universal principle, our Secretary of State assented ; and, in conformity, gave the instruction to the Attorney General, which is attached to the correspondence, and we have thus presented for our consideration, the grave question, do the laws of nations recognize any such principle ?

I feel that I hazard nothing in saying they do not. No authority has been cited to sanction it, nor do I believe that any can be. It would be no less vain to look to reason than to authority for a sanction. The laws of nations are but the laws of morals, as applicable to individuals, so far modified, and no further, as reason may make necessary in their application to nations. Now, there can be no doubt that the analogous rule, when applied to individuals, is, that both principal and agents, or, if you will, instruments, are responsi-

ble in criminal cases; directly the reverse of the rule on which the demand for the release of McLeod is made. Why, I ask, should the rule in this case be reversed, when applied to nations, which is universally admitted to be true in the case of individuals? Can any good reason be assigned? To reverse it when applied to individuals, all must see, would lead to the worst of consequences,—and, if I do not greatly mistake, must in like manner, if reversed, when applied to nations. Let us see how it would act when brought to the test in particular cases.

Suppose, then, that the British, or any other government in the contemplation of war, should send out emissaries to blow up the fortifications erected, at such vast expense, for the defence of our great commercial marts—New-York and others—and that the band employed to blow up Fort Hamilton, or any other of the fortresses for the defence of the city, should be detected in the very act of firing the train: would the production of the most authentic papers, signed by all the authorities of the British Government, make it a public transaction, and exempt the villains from all responsibility to our laws and tribunals? Or would that Government dare make a demand for their immediate release? Or, if made, would ours dare yield to it, and release them? The supposition, I know, is altogether improbable; but it is not the less, on that account, calculated to test the principle.

But I shall next select one that may possibly occur. Suppose, then, in contemplation of the same event, black emissaries should be sent from Jamaica, to tamper with our slaves in the South, and that they should be detected at midnight, in an assembly of slaves, where they were urging them to rise in rebellion against their masters; and that they should produce the authority of the home government, in the most solemn form, authorizing them in what they did: ought that to exempt the cut-throats from all responsibility to our laws and tribunals? Or, if arrested, ought our Gov-

ernment to release them on a peremptory demand to do so? And if that could not be done forthwith, from the embarrassment of State laws and State authorities, ought this Government to employ counsel and use its authority and influence to effect it? And, if this could not accomplish its object, would it be justified in taking the case into its own tribunals, with the view of entering a *nolle prosequi?*

But, setting aside all supposititious cases, I shall take one that actually occurred—that of the notorious Henry, employed by the colonial authority of Canada to tamper with a portion of our people, prior to the late war, with the intention of alienating them from their Government, and effecting a disunion in the event of hostilities. Suppose he had been detected and arrested for his treasonable conduct, and that the British Government had made the like demand for his release, on the ground that he was executing the orders of his Government, and was not, therefore, liable, personally or individually, to our laws and tribunals: I ask, would our Government be bound to comply with the demand?

To all these questions, and thousands of others that might be asked, no right-minded man can hesitate for a moment to answer in the negative. The rule, then, if it does exist, must be far from universal. But does it exist at all? Does it even in a state of war, when, if ever, if we may judge from the remarks of gentlemen on the opposite side, it must? They seemed to consider that nothing more was necessary to establish the principle for which they contend but to show that this and all other cases of armed violence on the part of one nation or its citizens against another, is in fact war; informal war, as they call it, in contradistinction to one preceded by a declaration in due form.

Well, then, let us inquire if the principle for which they contend—that the authority, or the sanction of his govern-

ment, exempts an individual from all responsibility to the injured government, exists, even in case of war.

Turning, then, from a state of peace to that of war, we find at the very threshold a very important exception to the rule, if it exists at all, in the case of spies. None can doubt that, if a spy is detected and arrested, he is individually and personally responsible, though his pockets should be filled with all the authority the country which employed him could give.

But is the case of spies the only exception? Are they alone personally and individually responsible? Far otherwise. The war may be declared in the most solemn manner; the invaders may carry with them the highest authority of their government, and yet, so far from exempting them individually, officers, men, and all, may be slaughtered and destroyed in almost every possible manner, not only without the violation of international laws, but with rich honor and glory to their destroyers. Talk of the responsibility of the government exempting their instruments from responsibility? How, let me ask, can the government be made responsible, but through its agents or instruments? Separate the government from them, and what is it but an ideal, intangible thing? True it is, when an invading enemy is captured or surrenders, his life is protected by the laws of nations, as they now stand; but not because the authority of his government protects it, or that he is not responsible to the invaded country. It is to be traced to a different and higher source—the progress of civilization, which has mitigated the laws of war. Originally it was different. The life of an invader might be taken, whether armed or disarmed. He who captured an enemy had a right to take his life. The older writers on the laws of nations traced the lawfulness of making a slave of a prisoner to the fact that he who captured him had a right to take his life; and, if he spared

it, a right to his service. To commute death into servitude, was the first step in mitigating the horrors of war. This has been followed by a further mitigation, which spares the life of a prisoner, excepting in the case of spies, to whom the laws of war, as they stood originally, are still in force. But, because their lives are spared, prisoners do not cease to be individually responsible to the invaded country. Their liberty for the time is forfeited to it. Should they attempt to escape, or if there be danger of being released by superior force, their lives may be still taken, without regard to the fact that they acted under the authority of their country. A demand on the part of their government for an immediate release, on the ground assumed in this case, would be regarded as an act of insanity.

Now, Sir, if the Senators from Virginia and Massachusetts (Mr. Rives and Mr. Choate) could succeed in making the case of the attack on the Caroline to be an act of war, it would avail them nothing in their attempt to defend the demand of Mr. Fox or the concession of Mr. Webster. McLeod, if it be war, would be a prisoner of war; a condition which, if it protected his life, forfeited his liberty. In that character, so far from his Government having a right to demand his immediate release, under a threat of war, our Government would have the unquestionable right to detain him till there was a satisfactory termination of the war by the adjustment of the question.

To place this result in a stronger view; suppose, after the destruction of the Caroline, the armed band which perpetrated the act had been captured on their retreat by an armed force of our citizens; would they not, if the transaction is to be regarded as war, justly have been considered as prisoners of war, and to be held as such, in actual confinement, if our Government thought proper, till the question was amicably settled? And would not the demand for their immediate release in such a case be regarded as one of the most insolent

ever made by one independent country on another? And can the fact that one of the band has come into our possession as McLeod has (if it is to be considered as war), vary the case in the least? Viewed in this light, the authority or sanction of the British Government would be a good defence against the charge of murder or arson, but it would be no less so against his release.

But, this is not a case of war, formal or informal, taking the latter in the broadest sense. It has not been thought so nor so treated by either Government; and Mr. Webster himself, in his reply to Mr. Fox, which has been so lauded by the two Senators, speaks of it as "a hostile intrusion into the territory of a power *at peace.*" The transaction comes under a class of cases fully recognized by writers on international law as distinct from war—that of belligerents entering with force the territories of neutrals; and it only remains to determine whether, when viewed in this its true light, our Secretary has taken the grounds which our rights and honor required, against the demand of the British Minister.

Thus regarded, the first point presented for consideration is;—whether Great Britain, as a belligerent, was justified in entering our territory under the circumstances of this case? And here let me remark, that it is a fundamental principle in the laws of nations, that every State or nation has full and complete jurisdiction over its own territory to the exclusion of all others—a principle essential to independence, and therefore held most sacred. It is accordingly laid down by all writers on those laws who treat of the subject, that nothing short of *extreme necessity* can justify a belligerent in entering, with an armed force, on the territory of a neutral power; and, when entered, in doing any act which is not forced on them by the like necessity which justified the entering. In both of the positions I am held out by the Secretary himself. The next point to be considered is;—did Great Britain enter our territory in this case under any such neces-

sity, and, if she did, were her acts limited by such necessity? Here again I may rely on the authority of the Secretary, and, if it had not already been quoted by both of the Senators on the other side who preceded me, I would read the eloquent passage towards the close of his letter to Mr. Fox, which they did with so much applause. With this high authority, I may then assume that the Government of Great Britain, in this case, had no authority under the laws of nations either to enter our territory or to do what was done in the destruction of the Caroline after it was entered.

Now, Sir, I ask, under this statement of the case, what ought to have been our reply, when the peremptory demand was made for the immediate release of McLeod? Ought not our Secretary of State to have told Mr. Fox that we regarded the hostile entry into our territory, and what was perpetrated after the entry, as without warrant under the laws of nations? That the fact had been made known to his Government long since, and immediately after the transaction? That we had received no explanation or answer? That we had no reason for believing that his Government had sanctioned the act? That McLeod had been arrested and indicted under the local authority of New-York, without possibility of knowing that the transaction had been sanctioned by it? That we still regarded the transaction in the light we originally did, and could not even consider the demand till the conduct of which we had complained was explained? But, in the mean time, that McLeod might have the benefit of the fact on his trial that the transaction was sanctioned by his Government, it would be transmitted in due form to those who had charge of his defence?

Here let me say that I entirely concur with Mr. Forsyth, that the approval of the British Government of the transaction in question was an important fact in the trial of McLeod, —without, however, pretending to offer an opinion whether it would be a valid reason against a charge of murder, of

which the essence is,—killing with malice prepense. It is a point for the court and jury, and not for us to decide. Nor do I intend to venture an opinion whether, if found guilty, with the knowledge of the fact that his Government approved of his conduct, it ought not to be good cause for his pardon, on high considerations of humanity and policy. I leave both questions, without remark, to those to whom the decision properly belongs;—except to express my conviction that there is not, and has not been the least danger that any step would be taken towards him not fully sustained by justice, humanity, and sound policy. Any step which did not strictly comport with these would shock the whole community.

Having taken the ground I have indicated,—that we ought to have received explanation before we responded to a peremptory demand,—there we ought to have rested till we had first received explanation. It is a maxim, that he who seeks equity must do equity; and, on the same principle, a government that seeks to enforce the laws of nations in a particular case against another, ought to show that it has first observed them on its own part in the same transaction; or at least show plausible reasons for thinking that it had. None, but a proud and haughty nation like England, would think of making the demand she has without even deigning to notice our complaints against her conduct in connection with the same transaction; and I cannot but think that, in yielding to her demand, under such circumstances, the Secretary has not only failed to exact what is due to our rights and honor, as an independent people, but has, as far as the influence of the example may effect it, made a dangerous innovation on the code of international laws. I cannot but think the principle on which the demand to which he yielded was made, is highly adverse to the weaker power, which we must admit ourselves yet to be, when compared with Great Britain. Aggressions are rarely made by the weaker on the

stronger power, but the reverse; and the practical effect of the principle, if admitted, would be to change the responsibility of declaring war from the aggressor—the stronger power—to the aggrieved, the weaker; a disadvantage so great, that the alternative of abandoning the demand of redress for the aggression would almost invariably be forced on the weaker, rather than to appeal to arms. This case itself will furnish an illustration. We have been told, again and again, in this discussion, that in yielding to the demand to release McLeod we do not surrender our right to hold Great Britain responsible; that we have the power and will to exact justice by arms. This may be so; but is it not felt on all sides that this is, I will not say empty boasting, but that it is all talk? After yielding to the peremptory demand for his immediate release; after sending the Attorney General to look after his safety, and employing able counsel to defend him against the laws of the State, the public feeling must be too much let down to think of taking so bold and responsible a measure as that of declaring war. The only hope we could ever have had of redress for the aggression would have been to demand justice of the British Government before we answered her demand on us; and I accordingly regard the acquiescence in the demand for release, without making a demand of redress on our part, as settling all questions connected with the transaction. Thus regarding it, I must say that, though I am ready to concede to Mr. Webster's letter in reply to Mr. Fox all the excellencies which his friends claim for it, the feeling that it was out of place destroyed all its beauties in my eyes. Its lofty sentiments and strong condemnation of the act would have shown to advantage in a letter claiming redress on our part, before yielding to a peremptory demand; but, afterwards, it looked too much like putting on airs when it was too late; after having made an apology, and virtually conceded the point at issue. In truth, the letter indicates that Mr. Webster was

not entirely satisfied with his ready compliance with Mr. Fox's demand,—of which the part where he says he is not certain that he correctly understood him in demanding an *immediate* release, furnishes a striking instance. There could be little doubt as to what was meant; but the assumption of one afforded a convenient opportunity of modifying the ground he first took.

SPEECH

On the Report of the Secretary of the Treasury, delivered in the Senate, June 21st, 1841.

[*In Senate, Monday, June* 21, 1841.—On the motion of Mr. Clay of Kentucky, to print 1,500 copies of the Report of the Secretary of the Treasury on the Finances—]

Mr. Calhoun said: It is impossible for any one to read the report of the Secretary, without being struck with the solicitude apparent throughout to make out a large deficit in the revenue of the year. So great was his solicitude that it betrayed him into numerous errors, which have been so fully exposed by the two Senators who preceded me on the same side, that I do not feel called on to add a word to what they have said in this respect. What I propose, in connection with what may be called the financial part of the report, is to show, by a brief and condensed statement, what would be the deficit at the end of the year, according to the data furnished by the Secretary himself, collected from different portions of his report, but all from himself, without adding an estimate or a figure of my own.

According, then, to his own data, the available means of the treasury for the year, including the balance at the end

of the last year, treasury notes authorized to be issued during the year, and the revenue from all sources, would be $24,942,935. This is made up, first, of the sum of $4,212,540, the actual receipts into the treasury from the beginning of the year to the 4th March, including the issue of treasury notes and the balance on hand at the commencement of the year; and next of the sum of $20,750,395 at which he estimates the receipts from the 4th March to the end of the year, including treasury notes authorized to be issued. Both items are taken from the report, without the alteration of a figure. Cents are omitted, as they are throughout my statement. These together make the sum of $24,942,935, which, as I have stated, is the aggregate of the available means of the year, according to the data of the Secretary.

The actual demand on the treasury for the year will be, on his data, $28,012,776. I have obtained the result, first, from his statement of the annual appropriations (he calls them definite appropriations) made during the last session, which he puts down at $17,937,981; next, from the permanent appropriations payable in the year, $1,781,115, followed by treasury notes, which he estimates will fall due in the year, or come into the treasury in payment of duties, making $5,283,831. These items are all taken from the 12th page of the Treasury Report, House Document. In the table containing them, the item of treasury notes is put down at $5,431,421; but there is a note appended, which states the items that compose it,—which, strange to tell, give not that sum, but the one I have stated,—and is so footed,—making a difference of nearly $150,000. I have taken the one I have, as I find the items that compose it, stated in another part of the report, according with those that gave that sum. The next, and last, sum that composes the items, which makes up, according to the data of the Secretary, the demands on the treasury for the year, is one

of $3,009,849, the estimated difference between the outstanding appropriations at the end of this year, compared with those of the end of the last year. This sum I have obtained in the following manner: The Secretary estimates the demands on the treasury, from the 4th of March to the end of the year, at $33,429,616, and that which will be required for the service of the year, from the 4th of March to the end, at $24,210,000. The difference between them ($9,296,616) would, of course, be the amount of the outstanding appropriations, according to his estimate, at the end of this year. Take that from the sum of $12,306,265, which he states to be the amount of the outstanding appropriations, at the end of last year (see 12th page of report), and the difference will give the amount I have stated, as chargeable to the disbursements of the year; and all the items added, the aggregate amount of those disbursements, according to the Secretary's own data. Subtract the aggregate means of the year ($24,942,935) from the aggregate demands, ($28,012,776), and the deficit would be $3,069,841.

But from this, two items must be clearly deducted. First, the omission in stating, among the means of the year, the item of $215,151 of money in the mints belonging to the treasury. Next, an overcharge in the disbursements of $1,110,611 of treasury notes, issued under the act of 1840, between the 31st December, 1840, and 4th of March, 1841, and which will not fall due till next year. Both the Senators who preceded me, have clearly shown this to be an overcharge. I will not attempt to add to their proof. These two items added make $1,325,762, and that sum subtracted from $3,069,841 gives, for the deficit, according to the Secretary's own data, at the end of the year, the sum of $1,743,979. He estimates it at $16,088,215, making an overestimate on his own data of $14,039,036.

It is true that he makes out his deficit in part, by adding items that have not been, and a large part of them probably

will not be, appropriated by Congress; but when we speak of deficits, we refer to the excess of the authorized demands on the treasury over its available means, and not such demands as the Secretary, or any one else, may think ought to be authorized by law. In that sense there would be no limitation in the deficit.

Among items of this kind, the Secretary has added one of four millions of dollars, to constitute a standing deposit in the treasury, that is, the projected bank; and this he proposes to borrow, say at 6 per cent., which would make an annual charge of $240,000 on the people, that the bank may have the use of it for nothing. I, for one, shall never agree to such a measure. If the treasury is to be guarded against the contingency of an accidental deficit, a vote of credit authorizing the temporary use of treasury notes, or, as called in England, exchequer bills, would be greatly preferable. There is another large item of nearly a million and a half, in addition to what has already been voted this year for fortifications, to which I shall not give my assent. The great changes that steam has made, and the still greater that it must make in the operations of war on the ocean, require that the whole subject of the defence of our maritime frontier should be reviewed by able and skilful officers, before we proceed any further in the present system of fortifications. Much that has been done, and is proposed to be done, would prove, on such view, to be wholly useless—money thrown away. I say nothing of the other items of the kind; they are small. Nor will I undertake to show what will be the actual deficit, if any. It would be too hazardous. The Secretary can make it more or less, or nothing at all, at his pleasure. But if he should choose to leave the outstanding appropriations as they stood last year, there would be in the treasury a considerable surplus, instead of a deficit. On the contrary, if he should undertake to spend the whole, he

may increase the deficit by many millions. We know what his desire is, and it remains to be seen what he will do.

But, Sir, another and more important question demands our attention. Why this deep and anxious solicitude to make out a large deficit? Does it originate in party feelings? Is the object to detract from his predecessors in office, by showing that they have left the finances in an embarrassed condition? It may be so in part, but it would be doing the Secretary great injustice to suppose that it was his sole or principal motive. No; it was much higher. It originated in the belief, that to make out a large and permanent deficit, for which no provision was made, was highly important, if not necessary, to carry out the measures which he and his party contemplated. Hence the solicitude—hence the zeal that has led to so many errors and discrepancies, and to so great an overestimate.

What these measures are, for which such anxiety is felt, the Secretary has not left us to conjecture. He has told us plainly: they are, first and foremost, a funded debt,—to be followed by a National Bank,—and, through it, the restoration of the partnership of the Government with the banks,—and that, by a heavy addition to the taxes, to an increase of the tariff,—and finally, the distribution among the States of the revenue from the public lands.

The debt is to be funded in stocks, redeemable in eight years; and is to consist, in the first place, of his estimated deficit of upwards of sixteen millions, of which four millions is to be, in reality, a permanent loan to the bank, without interest, as has been stated. In the next, of six millions to be subscribed by him as our share of the bank stock, and then $9,367,214 of stock to be subscribed by him for the States. What right have we to authorize him to subscribe for the States? In virtue of what right can we give such authority?

The Secretary felt the difficulty; and to make out a show of right for such an extraordinary proposition, he has taken a liberty in using words unexampled in any public document that ever passed under my eyes. He has converted the fourth instalment under the Deposit Act of 1836, proposed to be placed for safekeeping in the State treasuries for the use of the Government whenever called for, into a debt to the States! He speaks of it as *due* to the States in one place, and as *appropriated* to them in another. Where will he find the evidence of such debt, or the act making the appropriation? Will he point to the act of 1836? That makes it, as plainly and strongly as words can, a mere deposit for our use, whenever called for; that is, a debt from the States to the Government, and not from it to them. And yet, the Secretary is so intent on carrying out his scheme, that he changes at pleasure the relation of the parties—makes the Government, and not the States, the debtor—proposes to subscribe their debt to the Government, as so much stock in the bank to their credit, for which the Government is to pay them interest on the debt they owe it; and to cap the climax of perversion and absurdity, he provides that, if any State should refuse to accept its share of the subscription, it shall go to the other States; thus taking from a State at his pleasure, what he says is due to it, and giving it to the other States, without leave or license! He deals with words, rights, and property, as if his will was the only standard of either; makes debts from the States, debts to them, and transfers what he asserts belongs to one, to others, just as it suits him! But I see that the committee has just reported a bill, which omits a provision founded on such monstrous perversion and abuse of language; and I shall omit the residue of the remarks I intended to make on this point. These items, which it is proposed should compose the projected debt, exceed thirty-one millions of dollars; and exceed, by rather more than a million, the amount of the stock of the bank. Of this large

funded debt (nearly equal to half of that of the Revolution), upwards of nineteen millions is to go directly to the creation, or the benefit of the bank, and the remaining twelve millions is no doubt intended to go into the hands of individuals, with the view, in part, of furnishing the means of meeting their subscription; that is, the bank is to be manufactured out of the credit of the people. A mortgage, in the shape of public stocks, is to be laid on their industry and property, to the amount of thirty-one millions; that to be converted into cash, and thirty millions of it incorporated into a bank to be put under the control and management of seven directors, in this district! Add, that the bank is to have the use of the public revenue, till wanted for disbursements, and that its notes are made equal to gold and silver every where, in its collections and disbursements, and you will have the project of the Secretary, that has been so much lauded by his party!

To meet this heavy encumbrance on the labor and property of the people, and to cover the deficit which would be caused by the distribution of the revenue from the lands, he next proposes to impose a heavy tax of 20 per cent. on the importation of all articles now duty free, with the exception of those contained in the 5th section of the Compromise Act—and to raise the duty to 20 per cent. on all the articles which pay less than that; the effect of which would be to double nearly the present duty or tax on imports.

To complete the list of these odious and oppressive measures, he proposes, finally, that unconstitutional, dangerous, and detestable measure—the distribution of the revenue from the public lands among the States; which must end in a final loss to the Government of this great and growing branch of revenue, and a permanent mortgage to stockholders, domestic and foreign, of the whole of the public domain, consisting of more than a thousand millions of acres;

the noble inheritance bequeathed by our ancestors to us and our posterity.

Such are the measures proposed by the Secretary; and for the adoption of which he and the party in power display so much solicitude. A permanent funded debt lies at the bottom of the whole scheme, and hence the deep anxiety to make out a great deficiency in the revenue, in order to afford a plausible pretext to create such a debt. But I stop not here. I push my inquiry beyond the measures themselves to the motive of their authors, and ask why such solicitude to adopt them at this time? Why the zeal of the Secretary so strongly displayed in his report? Why the call of this extraordinary session at this sultry season, at such great inconvenience of the members, and so heavy a charge on the country? Why the universal and pressing demand through all the organs of the party for action—instant action? And why, finally, the decree of urgency here; the enactment of new rules to cut short inquiry and discussions, and the more rigid and despotic enforcement of the old ones, than has ever been known, to curtail debate? What is the motive for all this?

If we are to believe our opponents, it originates in the highest and purest dictates of patriotism and humanity;—dictates that urge them to relieve the distress of the country. The distress of the country! *Who is meant by the country?* The great mass of the community, the people, who live on their own means and industry, and look not to Government for favors? Do they mean by the country the tax payers in contradistinction to tax consumers—those who support the Government, and not those who are supported by it? Are these measures intended to relieve them? Would it relieve them, to place on their industry and property a mortgage of more than thirty-one millions of dollars in the shape of a permanent funded debt, which would annually extract from them nearly two millions of dollars to pay the interest

only? Would it relieve them to impose an additional tax of at least twelve millions, by levying a duty on coffee, tea, and other articles, of 20 per cent.; that is, to take one pound in six of all they consume? Would it relieve them to surrender for ever the revenue from the public lands, which cannot be estimated at less than five millions of dollars annually, for the next ten years, with the prospect of a great increase in future, to be given away to speculators and dealers in State stocks, for which the Union is in no way responsible, either in justice, equity, or honor? Would it relieve them to lay a permanent mortgage, virtually, on the whole of the public domain, in favor of stock-jobbers and speculators? You, gentlemen (addressing the opposite side), promised relief and reform to the people. On this promise they have raised you to power. Is this the reform, this the relief you promised? Will you, can you, rise in your places here, and in derision, tell the deluded people that when you promised reform and relief, you meant debt, taxes, mortgages, and the giving away of their inheritance? You are silent, and will be silent; you dare not make such an avowal; and yet these are the only measures you propose.

But if it be not relief to *the people*, *to whom* can it be? To whom but those who are the tax consumers, and not the tax payers—who, in reality, support not the Government, but are supported by the Government? Who but the mercenary corps—no, I will not use so strong a term—the dependent corps, who live, or expect to live, on the Government—the office-holders and expectants, of whom so fearful a flock lit on this District on the 4th of March last? To this numerous body of not less than a hundred thousand actual dependants on Government, and more than twice that number of expectants, these measures would indeed be relief. The more that is extracted from the people by taxes, and by whatever other device it can be effected, the more goes to them. Their interests and that of the people are in direct

conflict. That which oppresses the one pampers the other; that which takes from the one is gained to the other.

But these are not the only classes to whom these measures would bring relief. There are other and more powerful, who are looking on with the most intense anxiety, in the hope of gorging themselves by their means at the expense of the people. These look to debts, stocks, banks, distribution, and taxes, as the choicest of blessings. The greater the debt,—the more abundantly the stock market is supplied,—the more powerful and controlling the bank,—the greater the amount of the public revenue that is distributed,—and the heavier the taxes,—the better for them.

To all these, the measures so earnestly recommended in this report would bring great and substantial relief. They are in deep distress—hungry, famished, and howling for their prey. Well they may be. The system of measures by means of which they so long fed on the vitals of the people, has been utterly overthrown, and has left them in their present distressed and starved condition. The object now is to renew that system. Yes, Sir, the very measures recommended by the Secretary, are the identical measures which divided the two great parties, the Republican and Federal, at the commencement of the Government, and which, after more than half a century of persevering and unyielding resistance, the former has succeeded in overthrowing. Will any one—can any one venture to deny what I assert? Who is there so ignorant of our political history, as not to know that the first measure on which the great parties divided was the funded debt, the next the National Bank, and the partnership through it of the Government with the banks; and then the protective tariff, with all the unconstitutional and wasteful expenditures which have and must ever follow in its train? These are the measures which the illustrious leaders of the Republican party of former days so strenuously resisted, and which we have, after so long and severe a contest,

overthrown. And these are the measures, which the party now in power propose to revive. With them they have associated another, of the same stamp, but, if possible, more obnoxious and dangerous than any—the corrupt and corrupting scheme of distribution. And yet, strange to tell, there are thousands and tens of thousands, who have ever called themselves Republicans—who have stood in the front rank, when the battle waxed the hottest, and the onset was most fierce, against this system—who still call themselves Republicans, and honestly believe themselves to be so, now found, making battle on the opposite side, to restore the measures, which they have done so much to overthrow! How wonderful the delusion! Time, it is to be hoped, may expel it, and restore them to their true position.

If this attempt to revive the now prostrate system of federalism should succeed, and it should be once firmly reinstated, with all its exaggerated features, I shall not say that it would lay the foundation of a revolution in the Government; no, that would be too weak; it would, of itself, be a revolution. The seat of Government and power would change, and pass from the people into the hands of one of the most corrupt and exacting moneyed oligarchies, of which history has left any record. The immortal framers of our constitution intended to place the Government in the hands of the people—to establish a Federal Republic—a constitutional Democracy, in which the Government should be controlled by the people, and be administered for their good, and not for the profit and advantage of those in power and their dependants and partisans. Adopt these measures, and this would be reversed; the power would depart from the people, —from the tax paying people,—the honest and industrious, who support the Government, without looking for favors—and would pass into the hands of the master spirits, who would, for the time, control the Government by their herds of dependants and partisans, united with the powerful combina-

tion of interests which these measures are intended to associate with them. They would be too strong for the people. Yes, I proclaim it,—pass these measures,—let this system of universal plunder be once firmly fixed on the country, and the Government will be revolutionized.

Pause and reflect on this portentous concentration of power. Behold the numerous and powerful corps of dependants—the household troops, office-holders, contractors, jobbers, and pensioners, counting, in their well-formed and compact ranks, not less than one hundred thousand. These are to be placed under the most exact and severe party drill. None are to be recruited but those of tried fidelity, and none retained whose zeal is questionable. Cast your eyes next on the interest proposed to be associated with this corps; a formidable central bank, through which the most foul and corrupt and dangerous of partnerships is to be restored with the banking system, with its countless host of officers, stockholders, and dependants. Then turn to the scheme of distribution, intended to enlist entire States, and draw into this vortex the dominant influence for the time of the legislatures of every State in the Union, and thus combine both General and State Governments in favor of high taxes, wasteful expenditures, debts and stocks, and in support of profligate leaders, whose talents and influence may be necessary to uphold this scheme of plunder. Now, when we reflect that just in the same proportion that these measures subtract from the means of the people, in the same proportion must their voice be made more feeble and insignificant,—while, in the same proportion, the voice of those to whom what is substracted from them goes, must be made more potent and influential,—can we regard the assertion as too bold, that should these measures succeed, the Government would be revolutionized—would pass from the hands of the people into that of the powerful moneyed oligarchy, which, whether intended or not, they must create? The heads of the oligarchy, with their

dependants, and the dependants of their dependants, united with daring political leaders, would be more powerful than the people, weakened and dispirited as they must become in upholding and supporting this mighty mass of oppressive taxes and exactions, direct and indirect.

We are in the midst of a most powerful struggle. If our Government is ever destined to fall, it must fall by measures such as are recommended in this report. It can by no other. Of all measures, those connected with the fiscal action of the Government and the paper system (I include banks, paper currency, and a funded debt), require to be watched with the greatest jealousy by all people desirous of preserving their freedom. They are the passes through which revolution secretly enters, and consummates the overthrow of liberty before the danger is perceived. If the voice of one could be heard, who has never raised it but in behalf of the people, I would say to them, Watch with ceaseless vigilance these dangerous passes, and, especially, the fiscal action of the Government. There emphatically lies the danger which has overthrown so many free States, and is destined to overthrow ours, unless promptly met. The foundation of our system is equality—equal burdens and equal benefits to all;—but it ought to be known—it is a truth with which all ought to be deeply impressed, *that the fiscal action of the Government can, by no ingenuity or contrivance, be made equal, and that its unequal action of itself, without other cause, must, in the end, destroy liberty, if not checked and moderated.* To check and moderate it is all that can be done. The right understanding of this momentous truth is indispensable to the preservation of our free and happy institutions. I pause for a moment to explain.

The fiscal action of the Government consists of two branches,—taxation and expenditures,—or, in other words, revenue and disbursements. Taxation, disconnected from expenditure and considered by itself, may be made substan-

tially equal, though even that, in so large a country as ours, and so different in its pursuits and production, is no easy matter; but, if they be taken together, and be regarded in their joint effects as parts of one process, as they really are, it is impossible to make that process equal; unless, indeed, what may be taken from each individual by taxes, should be returned to him by disbursements, which would be absurd. It follows from this simple fact, that one portion of the community must necessarily put into the treasury, in the form of taxes, more than they receive back in that of disbursements, and another portion receive back in disbursements more than they paid in taxes. To one portion, then, taxes are in reality taxes, while to another they are in truth bounties. The money collected in taxes is not lost, but transferred. What taxes take from one is passed by disbursement to another; and to him to whom more is returned in disbursements than he paid in taxes, the difference is, as has been said, a bounty. Hence the inherent inequality of the fiscal action of the Government,—and which, of itself, without other cause, must create two great conflicting parties; the one in favor of taxes and the other opposed. The higher the taxes, the more profuse and wasteful the expenditures—the greater the gain to the one and the loss to the other. Hence the conflict, which extends not only to taxes and expenditures, but to all connected measures—the countless ways by which the proceeds of industry may be taken by law from one and transferred to another. It matters not what may be the form of the government. It originates in the nature of the fiscal action, and is as true under popular governments as others—under the government of the many as that of the few or of one. It is the great disturbing cause—the primordial disease of all governments, that collect taxes and make disbursements. It may be moderated in its action by wise constitutional provisions, but can never be actually overcome.

In order to be more clearly understood, I will illustrate

what I have stated in general terms, by tracing its operations in detail in a supposititious case. For this purpose, I shall select the two adjacent counties, lying on the other side of the Potomac: Fairfax, which is opposite to the District,—and Loudon, above. Suppose, then, they formed a little republic, governed by the will of a majority; suppose that they were equally wealthy, and that the income, annually, of their citizens, was $300,000 each. Suppose, again, the majority to be so just as to impose an equal tax on each, say $100,000, making the annual receipts of the treasury to be $200,000; and that Loudon, availing herself of her greater numbers, should appropriate the whole to herself, in the improvements of her roads and rivers, in granting pensions to her citizens, and the various other modes in which the public money may be spent. Is it not clear that her income would be increased, and that of Fairfax diminished, notwithstanding the equality of the taxes? The former would not only receive back in the shape of expenditures, what she had paid in that of taxes, but all that had been paid by the latter too, and her income annually would, in consequence, be increased by the addition of $100,000, while that of Fairfax would be diminished by the like sum, thus raising that of the former to $400,000 annually, and reducing the latter to $200,000, making its income double the other, instead of being only equal. Thus far is clear; and is it not also obvious that, just as the taxes are increased, just in the same proportion would Loudon gain and Fairfax lose; and that the latter, by increasing taxes, only, however, equally laid, might be utterly impoverished, simply by unequal disbursements,—just as much so as by unequal taxes? Thus far there can be no doubt.

The case would not be varied, if the supposed republic consisted of twenty counties, or only one. The only difference would be, that as you enlarged the extent, the inequality would tend more in a geographical direction, and as you

contracted it, between classes, particularly between capital and labor; but each would finally end in a moneyed oligarchy if not checked. Indeed, it would the more rapidly reach that termination, if left to itself, in an extended country, than a small one,—by concentrating the disbursements collected from all over a great extent of country in one part, and to the small portion of its citizens to whom the proceeds of the taxes would go in the first instance.

But to return to the case supposed. If to unequal disbursements, there should be added unequal taxation—if Fairfax should pay twice as much in taxes as Loudon, and the whole be expended in the latter; and if to this unequal taxation and disbursement, in favor of Loudon, she should add the advantages of the paper system, and a powerful bank, based on public stock,—that is a mortgage on the industry and property of the people, possessing the extraordinary privileges of having the use of the public revenue, and its notes received in the public dues, accompanied by the other measures proposed in this report, would not these combined, centralize a power there which would not only control Loudon, but, through it, Fairfax too? And must not the same causes, when applied on a large scale,—to the Union itself,—lead to the same results?

Such being the necessary tendency of the fiscal action of the Government, all real patriots—enlightened lovers of liberty—have ever been cautious in imposing taxes, and watchful in their disbursements. They never lay them but for indispensable objects, and then not if they can be avoided by the retrenchment of unnecessary expenditures, or strict economy in the collection and disbursement of the revenue. Such caution is the distinguishing characteristic of the real patriot, in popular governments, while the opposite marks the character of him who is indifferent, or opposed to such governments. Apply this principle to this report, and where does it place its author and the party with which he acts,

and who have been so loud in its support? Instead of caution, has he not shown the greatest solicitude to make out a necessity for imposing taxes where it does not exist? Has he shown, or attempted to show, that his supposed deficit in the revenue may not be met by the retrenchment of useless expenditures, or economy in the collection or disbursement of the revenue? Has he even alluded to these resources, except in a single, vague, general, and unmeaning expression? Can he, or his party, say that there is no room for retrenchment, or economy? Will they turn round and confess that the charges of extravagant and wasteful expenditures against the late administration and its predecessor are all false, and made for electioneering purposes? Do they intend to violate the solemn and oft-repeated pledges of reform, with as little compunction as the pledge to proscribe proscription? Is that, too, to furnish additional proof that we, in our infancy, have sunk to so degenerate a state that candidates may give the most solemn pledges before election, and violate them without a blush, and with perfect impunity, after they have attained power?

I fear that such will prove to be the fact; and that, as much as reform and economy are really needed, and deeply and solemnly as the party is pledged to carry it out, we are to hear no more about it. Indeed, a talented and influential member of the party (Mr. Evans) openly told us in debate the other day, not only that there was no room for reduction of expenses, but spoke with something like scorn of retrenchment and economy. He told us, on the same occasion, that he was for action—action—and that he detested abstractions.

I do not, Mr. President, wonder that the Senator, with his sentiments, should detest abstractions. They stand between him and his desires. He wants debts, taxes, banks, tariffs, and distributions;—and but for the hateful interposi-

tion of the constitution, of justice, and of the right of free discussion—those odious abstractions—would reach his object without delay or impediment. The Senator stands not alone in his hatred of abstractions. He has high examples for his strong dislike. Bonaparte detested and denounced them, under the name of ideology; and Cromwell held them in as much abhorrence as the gentleman himself. They are, in fact, objects of detestation to every plunderer, and to none more so than the highwayman. He meets an honest traveller on the road. The one armed and the other unarmed. What stands between him and the purse of the traveller, but these detested abstractions—right, justice, and law? Would he pause and parley about them? No; he, too, is for action, action, action;—meaning plunder, plunder, plunder.

But the Senator does not limit his dislike to abstractions. He has a mortal aversion to the interference of the Executive with the subjects submitted by the constitution to the action of Congress, and condemns, in strong language, the practice adopted by the Executive of recommending, in the annual message, the policy which, in his opinion, ought to be pursued by Congress. Does he forget that it is made his duty, by the constitution, not only to give information of the state of the Union, but *to recommend* such measures as he may deem necessary and expedient. But why should the Senator take such dislike to what he is pleased to call the interference of the Executive? Does he distrust the present incumbent? Does he fear that his influence or veto may also stand between him and the measures he is so impatient to adopt? I must say that I regard the constitutional powers of the Executive, properly understood, with feelings very different from the Senator. According to my opinion, when they are restricted within the limits assigned by the constitution, they are highly salutary. They serve

to moderate and check the overaction of Congress. This is eminently true of the veto power, which must, almost invariably, from its nature, interpose a shield between the weaker and stronger interests; and it is, perhaps, that circumstance, which makes it so unacceptable to the Senator.

But there is another branch of Executive power which I regard in a very different light; I mean that which originates in the encroachments and overaction of Congress. The powers of the Executive of themselves are very little formidable; but when Congress stretches its powers—when it imposes oppressive taxes—enacts high protective tariffs—branches out into lawless and wasteful expenditures—when it associates itself with the banks and paper systems—when, in a few words, it adopts the measures recommended in this report, it clothes the Executive with patronage and influence that may well be dreaded. It is this which makes the Executive truly formidable, and gives to the Presidential canvass such violence and corruption as to shake our system to its centre.

I shall now conclude my remarks with a hasty notice of what the Senator said in reference to myself. He undertook to remind me of the position I took in reference to the Sub-Treasury, at the extraordinary session of 1837. I retain a vivid recollection of my course on that occasion, and especially as relates to what he would recall to my memory, and I assure him that time, so far from changing, has but confirmed the opinions I then expressed. I then, and still, object to a National Bank, because, among other reasons, it tends to centralize the business and currency of the country at the point where it is located, and still favor the Sub-Treasury, because it has no such tendency. I shall not undertake to repeat the reasons I then advanced in support of my opinion. It would be out of place; but I avail myself of the occasion to say, that I would not divest New-York of a particle of

her natural advantages; but, at the same time, I would resist any attempt to aggrandize her, or any other city, at the expense of the others. Our system is built on justice and equality, and I would be as rigid in observing it between one place and another as between individuals and individuals. Justice to all, and privileges to none, is my maxim.

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